PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 339

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1999–2000

COMPRISING PERIOD
17 November—26 November 1999

Cam Ref
328

Chronology of "The Parliamentary Debates"

The Parliamentary History contains all that can be collected of the Legislative History of this country from the Conquest to the close of the XVIIIth Century (1803), 36 vols. The chief sources whence these Debates are derived are the Constitutional History, 24 vols.; Sir Simonds D'Ewes' Journal; Debates of the Commons in 1620 and 1621; Chandler and Timberland's Debates, 22 vols.; Grey's Debates of the Commons, from 1667 to 1694, 10 vols.; Almons Debates, 24 vols.; Debrett's Debates, 63 vols.; The Hardwicke Papers; Debates in Parliament by Dr. Johnson, &c. &c.

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A

Abbott, Diane Julie (Hackney, North and Stoke Newington)
Adams, Gerard (Belfast, West)
Adams, Mrs. Katherine (Paisley, North)
Ainger, Nicholas Richard (Carmarthen, West and South Pembrokeshire)
Ainsworth, Peter Michael (East Surrey)
Ainsworth, Robert William (Coventry, North East)
Alexander, Douglas Garven (Paisley, South) [*by-election, November 1997*]
Allan, Richard Beecroft (Sheffield, Hallam)
Allen, Graham William (Nottingham, North)
Amess, David Anthony Andrew (Southend, West)
Ancram, Rt. Hon. Michael (Devizes)
Anderson, Donald (Swansea, East)
Anderson, Mrs. Janet (Rossendale and Darwen)
Arbuthnot, Rt. Hon. James Norwich (North East Hampshire)
Armstrong, Rt. Hon. Hilary Jane (North West Durham)
Ashdown, Rt. Hon. Jeremy John Durham (Yeovil)
Ashton, Joseph William (Bassetlaw)
Atherton, Candice Kathleen (Falmouth and Camborne)
Atkins, Charlotte (Staffordshire, Moorlands)
Atkinson, David Anthony (Bournemouth, East)
Atkinson, Peter Landreth (Hexham)
Austin-Walker, John Eric (Erith and Thamesmead)

B

Baker, Norman John (Lewes)
Baldry, Anthony Brian (Banbury)
Ballard, Mrs. Jacqueline Margaret (Taunton)
Banks, Anthony Louis (West Ham)
Barnes, Harold (North East Derbyshire)
Barron, Kevin John (Rother Valley)
Battle, John Dominic (Leeds, West)
Bayley, Hugh (City of York)
Beard, Christopher Nigel (Bexleyheath and Crayford)
Beckett, Rt. Hon. Margaret Mary (Derby, South)
Begg, Anne (Aberdeen, South)
Beggs, Roy (East Antrim)
Beith, Rt. Hon. Alan James (Berwick-upon-Tweed)
Bell, Martin (Tatton)
Bell, Stuart (Middlesbrough)
Benn, Rt. Hon. Anthony Neil Wedgwood (Chesterfield)
Benn, Hilary James (Leeds, Central) [*by-election, June 1999*]
Bennett, Andrew Francis (Denton and Reddish)
Benton, Joseph Edward (Bootle)
Bercow, John Simon (Buckingham)
Beresford, Sir Alexander Paul (Mole Valley)
Bermingham, Gerald Edward (St. Helens, South)
Berry, Roger Leslie (Kingswood)
Best, Harold (Leeds, North West)
Betts, Clive James Charles (Sheffield, Attercliffe)
Blackman, Elizabeth Marion (Erewash)
Blair, Rt. Hon. Anthony Charles Lynton (Sedgefield)
Blears, Hazel Anne (Salford)
Blizzard, Robert John (Waveney)
Blunkett, Rt. Hon. David (Sheffield, Brightside)
Blunt, Crispin Jeremy Rupert (Reigate)
Boateng, Rt. Hon. Paul Yaw (Brent, South)
Body, Sir Richard Bernard Frank Stewart (Boston and Skegness)
Boothroyd, Rt. Hon. Betty (West Bromwich, West)
Borrow, David Stanley (South Ribble)
Boswell, Timothy Eric (Daventry)
Bottomley, Peter James (Worthing, West)
Bottomley, Rt. Hon. Mrs. Virginia Hilda Brunette Maxwell (South West Surrey)
Bradley, Keith John Charles (Manchester, Withington)
Bradley, Peter Charles Stephen (The Wrekin)
Bradshaw, Benjamin Peter James (Exeter)
Brady, Graham (Altrincham and Sale, West)
Brake, Thomas Anthony (Carshalton and Wallington)
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Brazier, Julian William Hendy TD (Canterbury)
Breed, Colin Edward (South East Cornwall)
Brinton, Helen Rosemary (Peterborough)
Brooke, Rt. Hon. Peter Leonard CH (Cities of London and Westminster)
Brown, Rt. Hon. James Gordon (Dunfermline, East)
Brown, Nicholas Hugh (Newcastle upon Tyne, East and Wallsend)
Brown, Russell Leslie (Dumfries)
Browne, Desmond (Kilmarnock and Loudoun)
Browning, Mrs. Angela Frances (Tiverton and Honiton)
Bruce, Ian Cameron (South Dorset)
Bruce, Malcolm Gray (Gordon)
Buck, Karen Patricia (Regent's Park and Kensington, North)
Burden, Richard Haines (Birmingham, Northfield)
Burgon, Colin (Elmet)
Burnett, John Patrick Aubone (Torridge and West Devon)
Burns, Simon Hugh McGuigan (West Chelmsford)
Burstow, Paul Kenneth (Sutton and Cheam)
Butler, Christine Margaret (Castle Point)
Butterfill, John Valentine (Bournemouth, West)
Byers, Rt. Hon. Stephen John (North Tyneside)

C

Cable, Dr. John Vincent (Twickenham)
Caborn, Rt. Hon. Richard George (Sheffield, Central)
Campbell, Alan (Tynemouth)
Campbell, Anne (Cambridge)
Campbell, Ronald (Blyth Valley)
Campbell, Rt. Hon. Menzies CBE, QC (North East Fife)
Campbell-Savours, Dale Norman (Workington)
Canavan, Dennis Andrew (Falkirk, West)
Cann, James Charles (Ipswich)
Caplin, Ivor Keith (Hove)
Casale, Roger Mark (Wimbledon)
Cash, William Nigel Paul (Stone)

Caton, Martin Philip (Gower)
Cawsey, Ian Arthur (Brigg and Goole)
Chapman, James Keith (Wirral, South)
Chapman, Sir Sydney Brookes (Chipping Barnet)
Chaytor, David Michael (Bury, North)
Chidgey, David William George (Eastleigh)
Chisholm, Malcolm George Richardson (Edinburgh, North and Leith)
Chope, Christopher Robert (Christchurch)
Church, Judith Ann (Dagenham)
Clapham, Michael (Barnsley, West and Penistone)
Clappison, William James (Hertsmere)
Clark, Rt. Hon. Alan Kenneth McKenzie (Kensington and Chelsea) [*died, September 1999*]
Clark, David George (South Shields)
Clark, Lynda Margaret QC (Edinburgh, Pentlands)
Clark, Dr. Michael (Rayleigh)
Clark, Paul Gordon (Gillingham)
Clarke, Anthony Richard (Northampton, South)
Clarke, Charles Rodway (Norwich, South)
Clarke, Eric Lionel (Midlothian)
Clarke, Rt. Hon. Kenneth Harry QC (Rushcliffe)
Clarke, Thomas CBE (Coatbridge and Chryston)
Clelland, David Gordon (Tyne Bridge)
Clifton-Brown, Geoffrey Robert (Cotswold)
Clwyd, Ann (Cynon Valley)
Coaker, Vernon Rodney (Gedling)
Coffey, Ann (Stockport)
Cohen, Harry Michael (Leyton and Wanstead)
Coleman, Iain (Hammersmith and Fulham)
Collins, Timothy William George (Westmorland and Lonsdale)
Colman, Anthony (Putney)
Colvin, Michael Keith Beale (Romsey)
Connarty, Michael (Falkirk, East)
Cook, Francis (Stockton, North)
Cook, Rt. Hon. Robert Finlayson (Livingston)
Cooper, Yvette (Pontefract and Castleford)
Corbett, Robin (Birmingham, Erdington)
Corbyn, Jeremy Bernard (Islington, North)
Cormack, Sir Patrick Thomas (South Staffordshire)
Corston, Jean Ann (Bristol, East)
Cotter, Brian Joseph (Weston-super-Mare)
Cousins, James Mackay (Newcastle upon Tyne, Central)
Cox, Thomas Michael (Tooting)
Cran, James Douglas (Beverley and Holderness)
Cranston, Ross Frederick QC (Dudley, North)
Crausby, David Anthony (Bolton, North East)
Cryer, Mrs. Constance Ann (Keighley)
Cryer, John Robert (Hornchurch)
Cummings, John Scott (Easington)
Cunliffe, Lawrence Francis (Leigh)
Cunningham, James Dolan (Coventry, South)
Cunningham, Rt. Hon. John Anderson (Copeland)
Cunningham, Roseanna (Perth)
Curry, Rt. Hon. David Maurice (Skipton and Ripon)
Curtis-Tansley, Claire (Crosby)

D

Dafis, Cynog Glyndwr (Ceredigion)
Dalyell, Tam (Linlithgow)
Darling, Alistair Maclean (Edinburgh, Central)
Darvill, Keith Ernest (Upminster)
Davey, Edward Jonathon (Kingston and Surbiton)
Davey, Valerie (Bristol, West)
Davidson, Ian Graham (Glasgow, Pollok)
Davies, Rt. Hon. David John Denzil (Llanelli)
Davies, Geraint Richard (Croydon, Central)
Davies, John Quentin (Grantham and Stamford)
Davies, Ronald (Caerphilly)
Davis, Rt. Hon. David Michael (Haltemprice and Howden)
Davis, Terence Anthony Gordon (Birmingham, Hodge Hill)
Dawson, Thomas Hilton (Lancaster and Wyre)
Day, Stephen Richard (Cheadle)
Dean, Janet Elizabeth Ann (Burton)
Denham, John Yorke (Southampton, Itchen)
Dewar, Rt. Hon. Donald Campbell (Glasgow, Anniesland)
Dismore, Andrew Hartley (Hendon)
Dobbin, James (Heywood and Middleton)
Dobson, Frank Gordon (Holborn and St. Pancras)
Donaldson, Jeffrey Mark (Lagan Valley)
Donohoe, Brian Harold (Cunninghame, South)
Doran, Frank (Aberdeen, Central)
Dorrell, Rt. Hon. Stephen James (Charnwood)
Dowd, James Patrick (Lewisham, West)
Drew, David Elliott (Stroud)
Drown, Julia Kate (South Swindon)
Duncan, Alan James Carter (Rutland and Melton)
Duncan Smith, George Iain (Chingford and Woodford Green)
Dunwoody, Mrs. Gwyneth Patricia (Crewe and Nantwich)

E

Eagle, Angela (Wallasey)
Eagle, Maria (Liverpool, Garston)
Edwards, Huw William Edmund (Monmouth)
Efford, Clive Stanley (Eltham)
Ellman, Louise Joyce (Liverpool, Riverside)
Emery, Rt. Hon. Sir Peter Frank Hannibal (East Devon)
Ennis, Jeffrey (Barnsley, East and Mexborough)
Etherington, William (Sunderland, North)
Evans, Nigel Martin (Ribble Valley)
Ewing, Mrs. Margaret Anne (Moray)

F

Faber, David James Christian (Westbury)
Fabricant, Michael Louis David (Lichfield)
Fallon, Michael Cathel (Sevenoaks)
Fatchett, Rt. Hon. Derek John (Leeds, Central) [*died, May 1999*]
Fearn, Ronald Cyril (Southport)
Field, Rt. Hon. Frank (Birkenhead)
Fisher, Mark (Stoke-on-Trent, Central)
Fitzpatrick, James (Poplar and Canning Town)
Fitzsimons, Lorna (Rochdale)
Flight, Howard Emerson (Arundel and South Downs)
Flint, Caroline Louise (Don Valley)
Flynn, Paul Phillip (Newport, West)
Follett, Daphne Barbara (Stevenage)
Forsythe, Clifford (South Antrim)
Forth, Rt. Hon. Eric (Bromley and Chislehurst)
Foster, Rt. Hon. Derek (Bishop Auckland)
Foster, Donald Michael Ellison (Bath)
Foster, Michael Jabez (Hastings and Rye)

Foster, Michael John (Worcester)
Foulkes, George (Carrick, Cumnock and Doon Valley)
Fowler, Rt. Hon. Sir Peter Norman (Sutton Coldfield)
Fox, Dr. Liam (Woodspring)
Fraser, Christopher James (Mid Dorset and North Poole)
Fyfe, Mrs. Maria (Glasgow, Maryhill)

G

Galbraith, Samuel Laird (Strathkelvin and Bearsden)
Gale, Roger James (North Thanet)
Galloway, George (Glasgow, Kelvin)
Gapes, Michael John (Ilford, South)
Gardiner, Barry Strachan (Brent, North)
Garnier, Edward Henry (Harborough)
George, Andrew Henry (St. Ives)
George, Bruce Thomas (Walsall, South)
Gerrard, Neil Francis (Walthamstow)
Gibb, Nicolas John (Bognor Regis and Littlehampton)
Gibson, Dr. Ian (Norwich, North)
Gill, Christopher John Fred RD (Ludlow)
Gillan, Mrs. Cheryl Elise Kendall (Chesham and Amersham)
Gilroy, Mrs. Linda (Plymouth, Sutton)
Godman, Dr. Norman Anthony (Greenock and Inverclyde)
Godsiff, Roger Duncan (Birmingham, Sparkbrook and Small Heath)
Goggins, Paul Gerard (Wythenshawe and Sale, East)
Golding, Mrs. Llinos (Newcastle-under-Lyme)
Goodlad, Rt. Hon. Sir Alastair Robertson KCMG (Eddisbury) [*resigned, July 1999*]
Gordon, Mrs. Eileen (Romford)
Gorman, Mrs. Teresa Ellen (Billericay)
Gorrie, Donald Cameron Easterbrook (Edinburgh, West)
Graham, Thomas (West Renfrewshire)
Grant, Bernard Alexander Montgomery (Tottenham)
Gray, James Whiteside (North Wiltshire)
Green, Damian Howard (Ashford)
Greenway, John Robert (Ryedale)
Grieve, Dominic Charles Roberts (Beaconsfield)
Griffiths, Jane Patricia (Reading, East)
Griffiths, Nigel (Edinburgh, South)
Griffiths, Winston James (Bridgend)
Grocott, Bruce Joseph (Telford)
Grogan, John Timothy (Selby)
Gummer, Rt. Hon. John Selwyn (Suffolk, Coastal)
Gunnell, William John (Morley and Rothwell)

H

Hague, Rt. Hon. William Jefferson (Richmond, Yorks)
Hain, Peter Gerald (Neath)
Hall, Michael Thomas (Weaver Vale)
Hall, Patrick (Bedford)
Hamilton, Rt. Hon. Sir Archibald Gavin (Epsom and Ewell)
Hamilton, Fabian (Leeds, North East)
Hammond, Philip (Runnymede and Weybridge)
Hancock, Michael Thomas (Portsmouth, South)
Hanson, David George (Delyn)
Harman, Harriet Ruth (Camberwell and Peckham)
Harris, Dr. Evan (Oxford, West and Abingdon)
Harvey, Nicholas Barton (North Devon)
Haselhurst, Rt. Hon. Sir Alan Gordon Barraclough (Saffron Walden)
Hawkins, Nicholas John (Surrey Heath)
Hayes, John Henry (South Holland and The Deepings)
Heal, Mrs. Sylvia Lloyd (Halesowen and Rowley Regis)
Heald, Oliver (North East Hertfordshire)
Healey, John (Wentworth)
Heath, David William St. John (Somerton and Frome)
Heath, Rt. Hon. Sir Edward Richard George KG, MBE (Old Bexley and Sidcup)
Heathcoat-Amory, Rt. Hon. David Philip (Wells)
Henderson, Douglas John (Newcastle upon Tyne, North)
Henderson, Ivan John (Harwich)
Hepburn, Stephen (Jarrow)
Heppell, John (Nottingham, East)
Heseltine, Rt. Hon. Michael Ray Dibden CH (Henley)
Hesford, Stephen (Wirral, West)
Hewitt, Patricia Hope (Leicester, West)
Hill, Trevor Keith (Streatham)
Hinchliffe, David Martin (Wakefield)
Hodge, Mrs. Margaret Eve MBE (Barking)
Hoey, Catharine Letitia (Vauxhall)
Hogg, Rt. Hon. Douglas Martin QC (Sleaford and North Hykeham)
Home Robertson, John David (East Lothian)
Hood, James (Clydesdale)
Hoon, Rt. Hon. Geoffrey William (Ashfield)
Hope, Philip Ian (Corby)
Hopkins, Kelvin Peter (Luton, North)
Horam, John Rhodes (Orpington)
Howard, Rt. Hon. Michael QC (Folkestone and Hythe)
Howarth, Alan Thomas CBE (Newport, East)
Howarth, George Edward (Knowsley, North and Sefton, East)
Howarth, James Gerald Douglas (Aldershot)
Howells, Dr. Kim Scott (Pontypridd)
Hoyle, Lindsay Harvey (Chorley)
Hughes, Beverley June (Stretford and Urmston)
Hughes, Kevin Michael (Doncaster, North)
Hughes, Simon Henry Ward (North Southwark and Bermondsey)
Humble, Mrs. Jovanka (Blackpool, North and Fleetwood)
Hume, John (Foyle)
Hunter, Andrew Robert Frederick (Basingstoke)
Hurst, Alan Arthur (Braintree)
Hutton, John Matthew Patrick (Barrow and Furness)

I

Iddon, Brian (Bolton, South-East)
Illsley, Eric Evelyn (Barnsley, Central)
Ingram, Rt. Hon. Adam Paterson (East Kilbride)

J

Jack, Rt. Hon. John Michael (Fylde)
Jackson, Glenda May CBE (Hampstead and Highgate)
Jackson, Mrs. Helen Margaret (Sheffield, Hillsborough)
Jackson, Robert Victor (Wantage)
Jamieson, David Charles (Plymouth, Devonport)
Jenkin, Bernard Christison (North Essex)
Jenkins, Brian David (Tamworth)

Johnson, Alan Arthur (Kingston upon Hull, West and Hessle)
Johnson, Melanie Jane (Welwyn Hatfield)
Johnson Smith, Rt. Hon. Sir Geoffrey (Wealden)
Jones, Fiona Elizabeth Ann (Newark)
Jones, Helen Mary (Warrington, North)
Jones, Ieuan Wyn (Ynys Môn)
Jones, Jennifer Grace (Wolverhampton, South West)
Jones, Jon Owen (Cardiff, Central)
Jones, Dr. Lynne Mary (Birmingham, Selly Oak)
Jones, Martyn David (Clwyd, South)
Jones, Nigel David (Cheltenham)
Jones, Rt. Hon. Stephen Barry (Alyn and Deeside)
Jowell, Rt. Hon. Tessa Jane Helen Douglas (Dulwich and West Norwood)

K

Kaufman, Rt. Hon. Gerald Bernard (Manchester, Gorton)
Keeble, Sally Curtis (Northampton, North)
Keen, Mrs. Ann Lloyd (Brentford and Isleworth)
Keen, Alan (Feltham and Heston)
Keetch, Paul Stuart (Hereford)
Kelly, Mrs. Ruth Maria (Bolton, West)
Kemp, Fraser (Houghton and Washington, East)
Kennedy, Rt. Hon. Charles Peter (Ross, Skye and Inverness, West)
Kennedy, Mrs. Jane Elizabeth (Liverpool, Wavertree)
Key, Simon Robert (Salisbury)
Khabra, Piara Singh (Ealing, Southall)
Kidney, David Neil (Stafford)
Kilfoyle, Peter (Liverpool, Walton)
King, Andrew (Rugby and Kenilworth)
King, Oona Tamsyn (Bethnal Green and Bow)
King, Rt. Hon. Thomas Jeremy CH (Bridgwater)
Kingham, Teresa Jane (Gloucester)
Kirkbride, Julie (Bromsgrove)
Kirkwood, Archibald Johnstone (Roxburgh and Berwickshire)
Kumar, Ashok (Middlesbrough, South and East Cleveland)

L

Ladyman, Stephen John (South Thanet)
Laing, Mrs. Eleanor Fulton (Epping Forest)
Lait, Mrs. Jacqui (Beckenham) [*by-election, November 1997*]
Lansley, Andrew David (South Cambridgeshire)
Lawrence, Mrs. Jacqueline Rita (Preseli Pembrokeshire)
Laxton, Robert (Derby, North)
Leigh, Edward Julian Egerton (Gainsborough)
Lepper, David (Brighton, Pavilion)
Leslie, Christopher Michael (Shipley)
Letwin, Oliver (West Dorset)
Levitt, Tom (High Peak)
Lewis, Ivan (Bury, South)
Lewis, Julian Murray (New Forest, East)
Lewis, Terence (Worsley)
Liddell, Mrs. Helen Lawrie (Airdrie and Shotts)
Lidington, David Roy (Aylesbury)
Lilley, Rt. Hon. Peter Bruce (Hitchin and Harpenden)
Linton, John Martin (Battersea)
Livingstone, Kenneth Robert (Brent, East)
Livsey, Richard Arthur Lloyd (Brecon and Radnorshire)
Lloyd, Anthony Joseph (Manchester, Central)
Lloyd, Rt. Hon. Sir Peter Robert Cable (Fareham)
Llwyd, Elfyn (Meirionnydd Nant Conwy)
Lock, David Anthony (Wyre Forest)
Lord, Michael Nicholson (Central Suffolk and North Ipswich)
Loughton, Timothy Paul (East Worthing and Shoreham)
Love, Andrew (Edmonton)
Luff, Peter James (Mid Worcestershire)
Lyell, Rt. Hon. Sir Nicholas Walter QC (North East Bedfordshire)

M

McAllion, John (Dundee, East)
McAvoy, Thomas McLaughlin (Glasgow, Rutherglen)
McCabe, Stephen James (Birmingham, Hall Green)
McCafferty, Christine (Calder Valley)
McCartney, Rt. Hon. Ian (Makerfield)
McCartney, Robert Law QC (North Down)
McDonagh, Siobhain Ann (Mitcham and Morden)
Macdonald, Calum Alasdair (Western Isles)
McDonnell, John Martin (Hayes and Harlington)
McFall, John (Dumbarton)
McGrady, Edward Kevin (South Down)
MacGregor, Rt. Hon. John Roddick Russell OBE (South Norfolk)
McGuinness, Martin (Mid Ulster)
McGuire, Mrs. Anne (Stirling)
McIntosh, Anne Caroline Ballingall (Vale of York)
McIsaac, Shona (Cleethorpes)
MacKay, Rt. Hon. Andrew James (Bracknell)
McKenna, Rosemary (Cumbernauld and Kilsyth)
Mackinlay, Andrew Stuart (Thurrock)
Maclean, Rt. Hon. David John (Penrith and The Border)
McLeish, Henry Baird (Central Fife)
Maclennan, Rt. Hon. Robert Adam Ross (Caithness, Sutherland and Easter Ross)
McLoughlin, Rt. Hon. Patrick Allen (West Derbyshire)
McMaster, Gordon (Paisley, South) [*died, July 1997*]
McNamara, Joseph Kevin (Kingston upon Hull, North)
McNulty, Anthony James (Harrow, East)
MacShane, Denis (Rotherham)
Mactaggart, Fiona Margaret (Slough)
McWalter, Tony (Hemel Hempstead)
McWilliam, John David (Blaydon)
Madel, Sir William David (South West Bedfordshire)
Maginnis, Kenneth (Fermanagh and South Tyrone)
Mahon, Mrs. Alice (Halifax)
Major, Rt. Hon. John (Huntingdon)
Malins, Humfrey Jonathon (Woking)
Mallaber, Clare Judith (Amber Valley)
Mallon, Seamus (Newry and Armagh)
Mandelson, Rt. Hon. Peter Benjamin (Hartlepool)
Maples, John Cradock (Stratford-on-Avon)
Marek, Dr. John (Wrexham)
Marsden, Gordon (Blackpool, South)
Marsden, Paul William Barry (Shrewsbury and Atcham)
Marshall, David (Glasgow, Shettleston)
Marshall, James (Leicester, South)
Marshall-Andrews, Robert Graham (Medway)

Martin, Michael John (Glasgow, Springburn)
Martlew, Eric Anthony (Carlisle)
Mates, Michael John (East Hampshire)
Maude, Rt. Hon. Francis Anthony Aylmer (Horsham)
Mawhinney, Rt. Hon. Sir Brian Stanley (North West Cambridgeshire)
Maxton, John Alston (Glasgow, Cathcart)
May, Mrs. Theresa Mary (Maidenhead)
Meacher, Michael Hugh (Oldham, West and Royton)
Meale, Joseph Alan (Mansfield)
Merchant, Piers Rolf Garfield (Beckenham) [*resigned, October 1997*]
Merron, Gillian Joanna (Lincoln)
Michael, Rt. Hon. Alun Edward (Cardiff, South and Penarth)
Michie, Mrs. Janet Ray (Argyll and Bute)
Michie, William (Sheffield, Heeley)
Milburn, Rt. Hon. Alan (Darlington)
Miller, Andrew Peter (Ellesmere Port and Neston)
Mitchell, Austin Vernon (Great Grimsby)
Moffatt, Mrs. Laura Jean (Crawley)
Moonie, Dr. Lewis George (Kirkcaldy)
Moore, Michael Kevin (Tweeddale, Ettrick and Lauderdale)
Moran, Mrs. Margaret (Luton, South)
Morgan, Alasdair Neil (Galloway and Upper Nithsdale)
Morgan, Julie (Cardiff, North)
Morgan, Hywel Rhodri (Cardiff, West)
Morley, Elliot Anthony (Scunthorpe)
Morris, Estelle (Birmingham, Yardley)
Morris, Rt. Hon. Sir John QC (Aberavon)
Moss, Malcolm Douglas (North East Cambridgeshire)
Mountford, Kali Carol Jean (Colne Valley)
Mowlam, Marjorie (Redcar)
Mudie, George Edward (Leeds, East)
Mullin, Christopher John (Sunderland, South)
Murphy, Denis (Wansbeck)
Murphy, James (Eastwood)
Murphy, Rt. Hon. Paul Peter (Torfaen)

N

Naysmith, Dr. John Douglas (Bristol, North-West)
Nicholls, Patrick Charles Martyn (Teignbridge)
Norman, Archibald John (Tunbridge Wells)
Norris, Dan (Wansdyke)

O

Oaten, Mark (Winchester) [*Election petition October 1997, by-election, November 1997*]
O'Brien, Michael (North Warwickshire)
O'Brien, Stephen Rothwell (Eddisbury) [*by-election, July 1999*]
O'Brien, William (Normanton)
O'Hara, Edward (Knowsley, South)
Olner, William John (Nuneaton)
O'Neill, Martin John (Ochil)
Opik, Lembit (Montgomeryshire)
Organ, Diana Mary (Forest of Dean)
Osborne, Sandra Currie (Ayr)
Ottaway, Richard Geoffrey James (Croydon, South)

P

Page, Richard Lewis (South West Hertfordshire)
Paice, James Edward Thornton (South East Cambridgeshire)
Paisley, Rev. Ian Richard Kyle (North Antrim)
Palmer, Nicholas Douglas (Broxtowe)
Paterson, Owen William (North Shropshire)
Pearson, Ian Phares (Dudley, South)
Pendry, Thomas (Stalybridge and Hyde)
Perham, Linda (Ilford, North)
Pickles, Eric Jack (Brentwood and Ongar)
Pickthall, Colin (West Lancashire)
Pike, Peter Leslie (Burnley)
Plaskitt, James Andrew (Warwick and Leamington)
Pollard, Kerry Patrick (St. Albans)
Pond, Christopher Richard (Gravesham)
Pope, Gregory James (Hyndburn)
Pound, Stephen Pelham (Ealing, North)
Powell, Sir Raymond (Ogmore)
Prentice, Mrs. Bridget Theresa (Lewisham, East)
Prentice, Gordon (Pendle)
Prescott, Rt. Hon. John Leslie (Kingston upon Hull, East)
Primarolo, Dawn (Bristol, South)
Prior, David Gifford Leathes (North Norfolk)
Prosser, Gwynfor Mathews (Dover)
Purchase, Kenneth (Wolverhampton, North East)

Q

Quin, Rt. Hon. Joyce Gwendolen (Gateshead, East and Washington, West)
Quinn, Lawrence William (Scarborough and Whitby)

R

Radice, Rt. Hon. Giles Heneage (North Durham)
Rammell, William Ernest (Harlow)
Randall, John (Uxbridge) [*by-election, July 1997*]
Rapson, Sydney Norman John (Portsmouth, North)
Raynsford, Wyvill Richard Nicholls (Greenwich and Woolwich)
Redwood, Rt. Hon. John Alan (Wokingham)
Reed, Andrew John (Loughborough)
Reid, Dr. John (Hamilton, North and Bellshill)
Rendel, David Digby (Newbury)
Robathan, Andrew Robert George (Blaby)
Robertson, George Islay MacNeill (Hamilton, South) [*life peerage, August 1999*]
Robertson, Laurence Anthony (Tewkesbury)
Robinson, Geoffrey (Coventry, North West)
Robinson, Peter David (Belfast, East)
Roche, Mrs. Barbara Maureen (Hornsey and Wood Green)
Roe, Mrs. Marion Audrey (Broxbourne)
Rogers, Allan Ralph (Rhondda)
Rooker, Jeffrey William (Birmingham, Perry Barr)
Rooney, Terence Henry (Bradford, North)
Ross, Ernest (Dundee, West)
Ross, William (East Londonderry)
Rowe, Andrew John Bernard (Faversham and Mid Kent)
Rowlands, Edward (Merthyr Tydfil and Rhymney)
Roy, Frank (Motherwell and Wishaw)
Ruane, Christopher Shaun (Vale of Clwyd)

Ruddock, Mrs. Joan Mary (Lewisham, Deptford)
Ruffley, David Laurie (Bury St. Edmunds)
Russell, Christine Margaret (City of Chester)
Russell, Robert Edward (Colchester)
Ryan, Joan Marie (Enfield, North)

S

St. Aubyn, Nicholas Francis (Guildford)
Salmond, Alexander Elliot Anderson (Banff and Buchan)
Salter, Martin John (Reading, West)
Sanders, Adrian Mark (Torbay)
Sarwar, Mohammad (Glasgow, Govan)
Savidge, Malcolm Kemp (Aberdeen, North)
Sawford, Philip Andrew (Kettering)
Sayeed, Jonathan (Mid Bedfordshire)
Sedgemore, Brian Charles John (Hackney, South and Shoreditch)
Shaw, Jonathan Rowland (Chatham and Aylesford)
Sheerman, Barry John (Huddersfield)
Sheldon, Rt. Hon. Robert Edward (Ashton-under-Lyne)
Shephard, Mrs. Rt. Hon. Gillian Patricia (South West Norfolk)
Shepherd, Richard Charles Scrimgeour (Aldridge-Brownhills)
Shersby, Sir Julian Michael (Uxbridge) [*died, May 1997*]
Shipley, Debra Ann (Stourbridge)
Short, Clare (Birmingham, Ladywood)
Simpson, Alan John (Nottingham, South)
Simpson, Keith Robert (Mid Norfolk)
Singh, Marsha (Bradford, West)
Skinner, Dennis Edward (Bolsover)
Smith, Andrew David (Oxford, East)
Smith, Angela Evans (Basildon)
Smith, Christopher Robert (Islington, South and Finsbury)
Smith, Geraldine (Morecambe and Lunesdale)
Smith, Jacqueline Jill (Redditch)
Smith, John William Patrick (Vale of Glamorgan)
Smith, Llewellyn Thomas (Blaenau Gwent)
Smith, Sir Robert Hill (West Aberdeenshire and Kincardine)
Smyth, Rev. William Martin (Belfast, South)
Snape, Peter Charles (West Bromwich, East)
Soames, Arthur Nicholas Winston (Mid Sussex)
Soley, Clive Stafford (Ealing, Acton and Shepherd's Bush)
Southworth, Helen Mary (Warrington, South)
Spellar, John Francis (Warley)
Spelman, Mrs. Caroline Alice (Meriden)
Spicer, Sir Michael William Hardy (West Worcestershire)
Spring, Richard John Grenville (West Suffolk)
Squire, Rachel Anne (Dunfermline, West)
Stanley, Rt. Hon. Sir John Paul (Tonbridge and Malling)
Starkey, Mrs. Phyllis Margaret (Milton Keynes, South West)
Steen, Anthony David (Totnes)
Steinberg, Gerald Neil (City of Durham)
Stevenson, George William (Stoke-on-Trent, South)
Stewart, David John (Inverness East, Nairn and Lochaber)
Stewart, Ian (Eccles)
Stinchcombe, Paul David (Wellingborough)
Stoate, Howard Geoffrey Alvin (Dartford)
Stott, Roger CBE (Wigan) [*died, August 1999*]
Strang, Dr. Gavin Steel (Edinburgh, East and Musselburgh)
Straw, John Whitaker (Blackburn)
Streeter, Gary Nicholas (South West Devon)
Stringer, Graham Eric (Manchester, Blackley)
Stuart, Mrs. Gisela Gschaider (Birmingham, Edgbaston)
Stunell, Andrew (Hazel Grove)
Sutcliffe, Gerry (Bradford, South)
Swayne, Desmond Angus (New Forest, West)
Swinney, John Ramsay (North Tayside)
Syms, Robert Andrew Raymond (Poole)

T

Tapsell, Sir Peter Hannay Bailey (Louth and Horncastle)
Taylor, Dari Jean (Stockton, South)
Taylor, David Leslie (North West Leicestershire)
Taylor, Sir Edward Macmillan (Rochford and Southend, East)
Taylor, Ian Colin MBE (Esher and Walton)
Taylor, Rt. Hon. John David (Strangford)
Taylor, John Mark (Solihull)
Taylor, Matthew Owen John (Truro and St. Austell)
Taylor, Rt. Hon. Mrs. Winifred Ann (Dewsbury)
Temple-Morris, Peter (Leominster)
Thomas, Gareth (Clwyd, West)
Thomas, Gareth Richard (Harrow, West)
Thompson, William John (West Tyrone)
Timms, Stephen Creswell (East Ham)
Tipping, Simon Patrick (Sherwood)
Todd, Mark Wainwright (South Derbyshire)
Tonge, Dr. Jennifer Louise (Richmond Park)
Touhig, James Donnelly (Islwyn)
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OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 339**

FIRST VOLUME OF SESSION 1999–2000

House of Commons

Wednesday 17 November 1999

The House met at twenty-five minutes past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Message to attend Her Majesty:

The House went; and having returned:

The sitting was suspended until half-past Two o'clock, and then resumed.

2.30 pm

On resuming—

SESSIONAL ORDERS

ELECTIONS

Ordered,

That all Members who are returned for two or more places in any part of the United Kingdom do make their Election for which of the places they will serve, within one week after it shall appear that there is no question upon the Return for that place; and if any thing shall come in question touching the Return or Election of any Member, he is to withdraw during the time the matter is in debate; and that all Members returned upon double Returns do withdraw till their Returns are determined.

Resolved,

That if it shall appear that any person hath been elected or returned a Member of this House, or endeavoured so to be by bribery or any other corrupt practices, this House will proceed with the utmost severity against all such persons as shall have been wilfully concerned in such bribery or other corrupt practices.

WITNESSES

Resolved,

That if it shall appear that any person hath been tampering with any witness, in respect of his evidence to be given to this House or any Committee thereof, or directly or indirectly hath endeavoured to deter or hinder any person from appearing or giving evidence, the same is declared to be a high crime and misdemeanour; and this House will proceed with the utmost severity against such offender.

Resolved,

That if it shall appear that any person hath given false evidence in any case before this House, or any Committee thereof, this House will proceed with the utmost severity against such offender.

METROPOLITAN POLICE

Ordered,

That the Commissioner of Police of the Metropolis do take care that during the Session of Parliament the passages through the streets leading to this House be kept free and open and that no obstruction be permitted to hinder the passage of Members to and from this House and that no disorder be allowed in Westminster Hall, or in the passages leading to this House during the Sitting of Parliament, and that there be no annoyance therein or thereabouts; and that the Serjeant at Arms attending this House do communicate this Order to the Commissioner aforesaid.

VOTES AND PROCEEDINGS

Ordered,

That the Votes and Proceedings of this House be printed, being first perused by the Speaker; and that she do appoint the printing thereof; and that no person but such as she shall appoint do presume to print the same.

OUTLAWRIES

A Bill for the more effectual preventing Clandestine Outlawries was read the first time, and ordered to be read a second time.

JOURNAL

Ordered,

That the Journal of this House, from the end of the last Session to the end of the present Session, with an Index thereto, be printed.

Ordered,

That the said Journal and Index be printed by the appointment and under the direction of William Robert McKay Esquire, C.B., the Clerk of this House.

Ordered,

That the said Journal and Index be printed by such person as shall be licensed by the Speaker, and that no other person do presume to print the same.

Queen's Speech

Madam Speaker: I have to acquaint the House that this House has this day attended Her Majesty in the House of Peers, and that Her Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy.

I shall direct that the terms of the Gracious Speech be printed in the Votes and Proceedings. Copies are available in the Vote Office.

The Gracious Speech was as follows:

My Lords and Members of the House of Commons

This is my Government's third legislative programme. It aims to build on my Government's programme of reform as they seek to modernise the country and its institutions to meet the challenges of the new Millennium.

My Government's aim is to promote fairness and enterprise, providing people with real opportunities to liberate their potential. They will focus on continued modernising of our economy, the promotion of enterprise, reform of the welfare system, protection of the public, and the development of a safe transport system.

The central economic objectives of my Government are high and stable levels of economic growth and employment. More people are in work in Britain today than ever before, with employment up by 700,000, and long term unemployment has halved.

My Government are helping people back into work. The New Deal has helped 145,000 young people into employment.

My Government have introduced a national minimum wage and a new 10p starting rate of tax. They have reformed National Insurance and from next April will cut the basic rate of income tax. The new Working Families Tax Credit, introduced in October, is raising incomes of working families.

My Government will continue to manage the public finances prudently, in accordance with the Code for Fiscal Stability and the two fiscal rules.

The new system of monetary policy-making ensures that interest rate decisions are taken in the best long-term interests of the economy. As a result, long-term interest rates are around their lowest level for almost thirty years. Inflation is historically low and expected to meet my Government's target of 2½ per cent.

My Government will continue to work with others to promote economic reform in Europe. They will work for more open markets, greater economic growth and new job creation.

To prepare Britain as a dynamic, knowledge-based economy my Government will introduce a Bill to promote electronic commerce and electronic government, improving our ability to compete in the digital marketplace.

Financial services lie at the heart of a modern economy. The financial services industry accounts for 7 per cent. of our national income, employing over 1 million people. With the new Financial Services Authority, my Government are determined to maintain and advance the UK's position, and the Bill introduced last Session will be carried over to this.

As part of my Government's drive to address inappropriate and over-complex regulation, legislation will be introduced to increase the effectiveness of the power to remove regulatory burdens.

My Government will introduce a Bill to enable the Post Office to improve its services and to compete more effectively in UK and overseas markets.

To put the consumer first, cut prices and make utility regulation more transparent and accountable, a Bill will be introduced to modernise the utility regulation system.

Legislation will be introduced to assist the rescue of viable businesses in short term difficulties, and improve the procedure for disqualifying unfit company directors.

My Government believe a stronger and fairer society strengthens our economy. They will continue to give young people and the long-term unemployed the opportunity to learn new skills and fulfil their potential.

Education remains my Government's number one priority. My Government will continue to implement policies to reward good teaching, reduce infant class sizes, and continue the drive to build on the improvements in literacy and numeracy already achieved.

Having focused change upon primary and secondary education, a Bill will now be introduced to establish a new Learning and Skills Council to improve standards for Post 16 education and training.

As part of my Government's drive against social exclusion, a Bill will be introduced to improve the help available to young people leaving local authority care.

To build on my Government's modernisation of the welfare system, a Bill will be introduced to reform child support so that money gets to children more speedily and effectively. It will introduce further pension reforms, including the State Second Pension which will give more help to low earners, carers and long term disabled people with broken work records. And it will reinforce people's obligations to society by linking benefit entitlement to compliance with community sentences.

Legislation will be introduced to improve the education of children with Special Educational Needs. My Government are determined to promote fairness of opportunity for disabled people building on the establishment of a Disability Rights Commission.

Members of the House of Commons

Estimates for the public service will be laid before you.

My Lords and Members of the House of Commons

My Government's ten year programme of modernisation for health and social care will provide faster, more convenient services to help improve the country's health.

As part of this programme, a Bill will be introduced to improve standards and stamp out abuse in social services, in private and voluntary healthcare, and in childcare.

My Government are determined to reduce crime and improve public protection. A Bill will be introduced to extend the use of mandatory drug testing in the criminal justice system. It will reform the probation services in England and Wales, create a new Children and Family Court Advisory Service, and prevent unsuitable people from working with children.

A Bill will be introduced to give the courts themselves the power to decide whether certain defendants should be tried by jury or by magistrates.

The Bill to equalise the age of consent, and strengthen the protection of young people from abuse of trust, will be re-introduced. My Government are determined to combat terrorism. A Bill will be introduced to modernise and make permanent the powers available to respond to all forms of terrorism.

A Bill will be introduced to ensure that the interception of communications, and the use of other intrusive techniques, continues to be regulated for the protection both of the rights of individuals and of society as a whole.

The report into the murder of Stephen Lawrence raised profound issues for our multiracial society. A Bill will be introduced which will make it unlawful for public bodies to racially discriminate, implementing one of the report's key recommendations.

A Bill will be introduced to give people greater access to the countryside and to improve protection for wildlife. And my Government will continue their leading role in protecting the global climate.

My Government are committed to creating a modern integrated and safe transport system, providing more choice for the travelling public. Following the recent tragedy at Paddington my Government will ensure that rail safety is a top priority. A Bill will be re-introduced to establish a Strategic Rail Authority. It will contain measures to improve bus services and reduce road congestion. It will include measures for National Air Traffic Services to separate safety regulation from operational matters, and deliver major investment in the next generation technology.

My Government will bring forward a Bill to introduce the latest accounting methods to improve value for money in Whitehall and generate more investment in public infrastructure and front line services.

A Bill will be brought forward to allow firms to incorporate with limited liability whilst organising themselves as partnerships.

A Bill will be introduced to modernise the powers and duties of trustees.

My Lords and Members of the House of Commons

In Northern Ireland, my Government will continue to work closely with the political parties and the Irish Government to secure the full implementation of the Good Friday Agreement. A Bill will be presented to implement proposals from the Independent Commission on Policing, following the completion of consultation.

My Government are committed to making devolution in Scotland and Wales work and to continue the process of decentralising Government in the interests of all the people in the United Kingdom.

A Bill will be introduced to set up an Electoral Commission to regulate the funding and spending of political parties and organisations. My Government will also bring forward a Bill to reform our electoral procedures to make it easier for people to participate in elections.

My Government are committed to further long-term reform of the House of Lords and will look forward to the recommendations of the Royal Commission on the Reform of the House of Lords.

A Bill will be brought forward to reform local government to make it more innovative and accountable.

My Government will introduce a Bill on Freedom of Information. It will give everyone the right of access to information held across the public sector for the first time.

My Government will continue to provide greater openness by publishing legislation in draft for public scrutiny. This will include Bills enabling the United Kingdom to ratify the International Criminal Court, promoting more efficient water use and leasehold reform as well as commonhold for flat owners.

Other measures will be laid before you.

The Duke of Edinburgh and I look forward to receiving a State Visit by Her Majesty Queen Margrethe of Denmark and Prince Henrik in February next year.

We also look forward to our visit to Australia in March.

My Government will work towards a new partnership between Britain and the Overseas Territories. They will take forward the offer of British Citizenship to the people of the Territories.

My Government will take a leading role with our partners to shape the future development of the European Union. They will promote the enlargement of the Union, support co-operation in the fight against cross-border crime and work to improve the effectiveness of the European Union's Foreign and Security Policy and its development programmes.

My Government will ensure that NATO remains the foundation of Britain's defence and security. They will seek to continue the work of adapting the Alliance to meet the challenges and opportunities of the new century.

A Bill will be introduced to reform aspects of the armed forces' system for administering discipline.

My Government will seek to modernise the United Nations. They will work to make the Security Council more effective and more representative.

Over the coming year, which is the 10th anniversary of the United Nations Convention on the Rights of the Child, my Government will build on their work to strengthen protection for children. My Government will take further measures to meet its target of abolishing child poverty in 20 years. It will play an active part in the Council of Europe Conference against Racism.

My Government believe this is a substantial programme of work, addressing their priorities and helping the country to meet the challenges of the new millennium.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

Debate on the Address

[First Day]

Madam Speaker: It will be for the convenience of the House to know that the subjects for debate on the Queen's Speech will be as follows:

Thursday 18 November—environment, transport and the countryside; Friday 19 November—trade and industry and social security; Monday 22 November—foreign affairs and defence; Tuesday 23 November—home affairs and education and employment; Wednesday 24 November—the economy.

I shall now call on Dr. Jack Cunningham to move the Address, and Mr. Ivan Lewis will second it.

2.34 pm

Dr. Jack Cunningham (Copeland): I beg to move,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

This is my first speech from the Back Benches for almost a quarter of a century. It is very encouraging to be looked upon by my right hon. Friends on the Front Bench as a promising Back Bencher. When I was asked by my right hon. Friend the Chief Whip to move the motion, I noticed that she carefully omitted the words often whispered to Back Benchers on this occasion—"Do this well and you could be in line for a job in the Government."

Whatever my merits, this occasion is certainly a well-deserved and great honour for my constituency and the people of Copeland, whom I have had the privilege to represent in this House for more than 29 years. Although it is the most remote English constituency from Westminster, it is certainly the most beautiful in the whole of the United Kingdom.

Copeland is a rural borough with a population of 72,000, set in 300 square miles of west and south Cumbria. It stretches from just north of the magnificent Georgian port and town of Whitehaven, south to the town of Millom on the majestic Duddon estuary. Copeland is bounded to the west by many miles of beautiful Cumbrian Irish sea coastline and, to the east, by the highest mountain range in England.

Copeland includes the ancient and lovely market town of Egremont, as well as former coal and iron ore mining towns and villages such as Distington, Lowca, Frizington and Cleator Moor. There are dozens of rural villages and hamlets in the dales, on the hills and on the coast. There are 29 parish councils in my constituency. Hundreds of farmsteads cover the hills and dales, as well as the rural parts of the coastal plain. I therefore often permitted myself a wry smile when, as Minister of Agriculture, Fisheries and Food, I was frequently told that I had no knowledge or experience of the countryside.

My constituency—as those hon. Members who know it realise—is dominated by one massive, magnificent, unique, and sometimes brooding and dangerous presence. *[Laughter.]* I refer, of course, to the Lake district national

park. Copeland contains the highest mountain in England, Scafell Pike; the deepest lake, Wastwater; the smallest church in England, St. Olaf's at Wasdale Head; and the largest yen earner in the UK economy.

No election ever takes place in Copeland without several people saying to me that they cannot vote for me because I give too much support to the nuclear industry. Happily, at least 20,000 usually say that they will vote for me, even though I do not give enough support to the nuclear industry. British Nuclear Fuels makes a huge contribution to the west Cumbrian economy, and a very positive contribution to the UK as a whole. Nuclear power will assist us in meeting our Kyoto commitments. We have no hope of meeting them without it.

For many years, Copeland has elected the biggest liar in the world—but not at general elections. The election is tomorrow night in the Bridge inn at Santon Bridge. Members of Parliament are banned—probably on the grounds of too much skill and practice. However, members of the Press Gallery could enter. We all know one or two who would make outstanding candidates.

Copeland contains the most numinous dale in all lakeland—and I do not mean my hon. Friend and constituency neighbour the Member for Workington (Mr. Campbell-Savours), awe-inspiring though he can often be. I mean Ennerdale. As well as the grandeur of Wasdale, Eskdale, Dunnerdale and the Whicham valley, it features many miles of magnificent coastline, sites of special scientific interest, Roman antiquities, Hard Knott fort on the famous mountain pass, the Ravenglass estuary—used as a port by the Romans—and the magnificent castle and grounds at Muncaster. Not surprisingly, tourism is of growing importance to the local economy.

Copeland is famous not just for beautiful scenery, but for ugly people. I mean, of course, the gurners. The world gurning champion is elected in Copeland every year during the Egremont crab fair. Gurning is the art of pulling grotesque faces; as they demonstrate each week during Prime Minister's Question Time, some Opposition Members are rather good at that.

The coast-to-coast walk begins in Copeland in the lovely seaside village of St Bees. Some local people follow the Eskdale and Ennerdale foxhounds, but many, many more follow the hound trails where the dogs race across the fells following a scented drag.

I have long been closely associated with many voluntary associations that do excellent work in Copeland. I am the honorary vice-president of the Wasdale mountain rescue team. Fortunately, during more than 30 years of walking and climbing in lakeland, I have never needed to call on the excellent skills and experience of that team, but, during my 29 years in the House, there have been one or two occasions on which I would have been glad to see its members abseiling down from the Public Gallery to rescue me from the Chamber.

Whitehaven, a gem of a Georgian town, was built by Sir John Lowther in the 17th century, and still contains some 240 listed buildings. The harbour is an ancient monument, now being dramatically rejuvenated by the Whitehaven Development Company—with grants from the Government—and the Millennium Commission. At its height, in the 18th century, the port of Whitehaven was second only to London in terms of tonnage shipped. Its fleet exceeded 200 vessels, and trade flourished with Ireland and America.

In 1699, the Whitehaven merchant George Gale met and married, in Virginia, a widow, Mildred Washington. When she died in Whitehaven in 1700, her sons John and Augustine Washington returned to America. Augustine's son George Washington became the first President of the United States of America. Had his grandmother lived in Whitehaven, history might well have been very different.

On 22 April 1778, during the American war of independence, the American naval captain John Paul Jones, born at Kirkbean on the Solway, entered Whitehaven harbour at night, spiked the guns and set fire to some vessels that he caught escaping to sea. A hero in America, he is regarded to this day as a pirate in Whitehaven. This summer, Whitehaven held its first successful maritime festival; I hope that there will be many more.

No one will be surprised to learn that I strongly support my right hon. Friend the Prime Minister and his Government. I have spent 30 years or more working to see such an Administration in office. During long years in opposition, it sometimes seemed that Labour was determined to stay out of power. Under my right hon. Friend the Prime Minister, however, we are now firmly established, once more, on political ground that it was a terrible mistake ever to abandon.

In the face of all reason, logic and experience, I have supported both the Labour party and Newcastle United football club all my life. As an inexperienced Government Back Bencher, I am pleased that fell walking and climbing have taught me always to choose my foothold carefully. I know that it will be difficult to walk the narrow political path between whingeing and sycophancy. I shall probably need some tutorials from my hon. Friend the Member for Bolsover (Mr. Skinner) before I get it right. [HON. MEMBERS: "Where is he?"] I wish him well because I understand that he has been ill recently.

As a loyal Back Bencher, as hon. Members would expect, I asked Alastair Campbell for suitable guidance and humorous anecdotes about the Prime Minister. He replied, "You don't think I'm paid all this money to make jokes about my boss, do you?"

I recall that, during difficult negotiations with the French, the permanent secretary at the Ministry of Agriculture, Fisheries and Food advised me in a meeting, "Minister, dealing with the French is all down to tone." I told him not to be so familiar about the Prime Minister.

During one of his many interviews in the French language, the Prime Minister, slightly in error, said that he desired Lionel Jospin in many different ways. I am not sure quite how he has been desiring, or admiring him, as he should have said, lately, but, in the recent dispute with the French, I congratulate him and my right hon. Friend the Minister of Agriculture, Fisheries and Food on keeping their heads when the Leader of the Opposition and all around him were losing theirs.

Much in the Gracious Speech will be welcomed by my constituents. Surrounded by outstanding natural beauty and unparalleled scenery as they are, they are not all protected, or immune, from unemployment, poor housing, low pay, ill health or poverty in old age. They need jobs with good earnings. Too many do not have that advantage. Unemployment in Copeland is 50 per cent. higher than the national and north-west regional average. In some wards, it is four times the national average. In Millom

[Dr. Jack Cunningham]

new town, Egremont, St. Bees and Mire House east wards, there are difficult problems. They would benefit from being given objective 2 status.

That is why the extension of the new deal and the maintenance of a strong economy are welcome in Copeland. Talk of the economy "overheating" brings wry smiles, or even anger to many of my constituents. Blunt instruments such as the fuel cap escalator, which we inherited from the previous Administration, cause serious harm in remote rural areas, especially to small businesses. The Government are right to review its impact. In particular, improvements in public transport, especially to the west coast main line, will be welcomed, as would be much needed road improvements on the A595 in Copeland.

The new deal has halved youth unemployment in Cumbria; its extension is excellent news. The commitment to greater economic growth and to a dynamic knowledge-based economy will be widely supported in my constituency.

The Bill to establish the new Learning and Skills Council to improve standards for post-16 education and training is welcome. The reform of the Child Support Agency is overdue. As honorary president of a disability group in Copeland, I know that the establishment of the Disability Rights Commission will be warmly applauded.

People with disabilities, elderly people, people with young families and those who live in remote rural areas will all welcome a Bill to reform our electoral procedures to make it much easier to participate in elections.

West Cumbria has long historical links and family connections with Ireland. People there and those in the House should welcome progress in Northern Ireland and wish all the parties well in their efforts to implement the Good Friday agreement.

In Copeland, people already have considerable access to Forestry Commission and National Trust land. Those organisations do an excellent job in Copeland, where the trust manages sensitive conservation and public access with great co-operation from farmers. As a member of the trust and of the Royal Society for the Protection of Birds, I know that the Bill to improve access and to bring greater protection to wildlife will be supported strongly.

The new Labour Government have already made a big difference in Copeland through improvements to health, education, youth employment and job creation through the new deal, sure start and single regeneration budget funding. Of course, much more needs to be done.

This third legislative programme maintains the momentum of modernisation and reform. It is a powerful and coherent statement of the Government's commitment to promoting fairness, job creation, enterprise and welfare reform. The programme contains further important commitments to young people, people with disabilities, carers, pensioners and those on low incomes. It will be warmly received in Copeland and it deserves the House's support. I wish my colleagues in the Government every success.

2.51 pm

Mr. Ivan Lewis (Bury, South): It is with a great sense of humility and honour that I second this motion. This is an important parliamentary occasion, but it is made even more important by the fact that Northern Ireland is moving ever closer to a peace to which everybody aspires. I have been privileged to spend the past 48 hours first in Belfast and then in Dublin as part of a cross-party delegation. I can tell hon. Members, journalists and newspaper editors that we do not owe it to any particular political leader or to any particular tradition in Northern Ireland, but we owe it to the children of Northern Ireland to ensure that we achieve that lasting peace.

I congratulate my right hon. Friend the Member for Copeland (Dr. Cunningham) on his magnificent speech. I pay tribute to his tremendous record of public service over many years, which I know will continue for a long time to come. When I was researching this speech, I discovered that my right hon. Friend once wrote a PhD thesis entitled—those who remember his time at the Ministry of Agriculture, Fisheries and Food may sympathise with this—"Penta fluoro phenyl derivatives of metal". My right hon. Friend might want to know that I have read the first line of that paper and still do not understand a word of it.

I am sure that hon. Members want to join me today in sending good wishes to my hon. Friend the Member for Aberdeen, South (Miss Begg) who is lying in a hospital bed recovering from a serious road traffic accident. We all hope that she will be back with us in the near future.

I want to take this opportunity, on behalf of the 1997 intake of Members of Parliament, to thank the more experienced hon. Members and parliamentary staff for the many kindnesses they have shown to us during this difficult and challenging settling-in period.

After learning that I had been asked to second this motion my hon. Friends the Members for Halton (Mr. Twigg), for St. Helens, North (Mr. Watts) and for Manchester, Withington (Mr. Bradley) all asked me, independently, to mention them in my speech. *Hansard* will record that I did so.

Since 1 May 1997, I have been conscious of the tremendous level of trust and confidence that has been placed in me by my constituents. Bury, South is the place where I was born, raised and have lived all my life. We are proud of our community, proud of our towns of Prestwich, Radcliffe and Whitefield and proud of our village of Simister. We are proud of our teachers, pupils, governors and parents and our local education authority who have worked together to achieve some of the best education results in Britain. We are proud of our partnerships between statutory bodies, voluntary agencies and the private sector.

In Bury, South, we are also proud of the multi-faith nature of our community—composed of Christians, Jews, Muslims, those of other minority faiths, and those of no faith at all—living and working together, in an atmosphere of mutual trust, respect and friendship.

We are proud also of achieving all that despite having one of Britain's lowest funding levels. However, I have every confidence that my right hon. Friend the Minister for Local Government and the Regions will address our SSA, RSG and ACA in exactly the same way as she has tackled CCT. Is it any wonder that people do not relate very well to local government?

My constituents will warmly welcome the contents of the Queen's Speech. I am proud that, after 18 years in the wilderness, we have the first Government this century who do not ask people to choose between fairness and

prosperity, but who understand that fairness and prosperity are interdependent attributes of any successful and truly united nation. I believe that if those charged with rebuilding Britain in 1945 were here today, they would be impressed—perhaps even surprised—by a Labour Government who combine competence with radicalism.

I know all about wilderness years. I joined the Labour party in the 1980s and survived, just about. I also left school at 16, with all of three O-levels, and I am a lifelong supporter of Manchester City football club. I also know, more than most, that wilderness years can, do—and will—come to an end.

In a political context, I hope that this reassurance will give some comfort to Conservative Members—although the fact is that there are wilderness years, and wilderness years. In a football context, I hope that it will give some comfort to my right hon. Friends the Secretary of State for the Home Department and the Government Chief Whip. On this one occasion, I also tell my right hon. Friend the Chancellor of the Exchequer that, tonight, there will truly be a case of boom or bust for his beloved Scotland.

On the whole, politics is a serious businesses. I believe that hon. Members on both sides of the House enter politics because they want to make a difference for the better. However, it is also important that we should not fall into the trap of taking ourselves as individuals too seriously. I should therefore like to share with the House some examples of the clangers that I—although it might be hard to believe—have dropped in my first 30 months as a Member of Parliament.

After six months as an hon. Member, I sent out to my Labour party members a list of the Government's achievements, which began:

"The Government have banned books in all our schools",

and went on to say:

"The Government has provided £1,000 to all schools with which to purchase handguns."

In some parts of the country, that might well be a credible future manifesto commitment!

I also recall, a couple of years ago, arriving late at a Remembrance Sunday service at one of my cenotaphs. It was an inter-faith service, involving the local Christian and Jewish community. The rabbi was in full flow, in Hebrew, and I thought that I should let the mayor know that I had arrived, a few minutes late. I therefore promptly tapped him on the shoulder, at which point—as the rabbi continued speaking—he marched forward, saluted and laid his wreath. Only later did I realise that mayor and vicar had done a deal, by which the vicar would tap the mayor on the shoulder when he had finished. Perhaps this has been the only occasion on which an hon. Member has been able to tell a joke about a Member of Parliament, a vicar, a rabbi and a mayor, and get away with it.

Then there was the time, shortly after my appointment as Parliamentary Private Secretary to my right hon. Friend the Secretary of State for Trade and Industry, when my mobile phone went off and a voice at the other end said, "It's Steve here." I pondered for a minute, desperately trying to make sure that I did not give the wrong response, and said, "Steve who?" I thought that it was going to be the shortest appointment in political history. I want to take this opportunity to say how genuinely delighted I am to have been appointed PPS to the Secretary of State. I believe that he is one of the greatest Secretaries of State for Trade and Industry since the last general election.

I want to articulate what being a Member of Parliament means to me through the prism of my own personal and political experiences. Remembrance Sunday made me think about my grandfather. He was a proud Scot who died fighting for this country in the second world war and who, as a young man of 19, went to Spain to fight for the international brigade against Franco's fascists. This April, I visited Auschwitz-Birkenau concentration camp in Poland with a group of 150 teachers at the behest of the Holocaust Education Trust. I saw for myself an entity that was designed to deliver a significant part of Adolf Hitler's final solution. Like millions of others, at the same time I watched on my television screen as ethnic cleansing was being perpetrated in Europe in 1999. I pondered how little we sometimes learn from history. I also pondered—yes, people may accuse me of being sycophantic—the fact that we have a Prime Minister who did not cross to the other side of the street, but, out of a sense of moral purpose, not economic imperative, demanded that the world take action so that we do not tolerate ethnic cleansing as we approach the new millennium.

As I was preparing this speech, I also thought of the people with learning disabilities who changed the course of my life when I began doing voluntary work at the age of 14. I recalled their daily struggle to be accepted as equal, worthwhile members of society and how they wanted the opportunity to pursue and fulfil their potential. I remembered their families, who too often found that the services that were supposed to be there to help them were not there when they needed them. They also suffered pain, often caused by the fear and ignorance of their fellow human beings.

I also reflected on a personal experience when, at the age of 14, I sat in the headmaster's office in the private school that I attended, waiting for my mother to collect me. I had been separated from my schoolmates because my father was no longer able to pay the school fees.

Those are just some of the experiences that have shaped my personal and political beliefs. I am immensely proud, as one of the new generation of Members of Parliament, to have been asked to second the motion on the Queen's Speech. I am immensely proud to be the Member of Parliament for my home town constituency. I am pleased to support the programme of a Government who are rebuilding a consensus in this country around civilised and decent values. We are not simply a collection of individuals; there is such a thing as society. The powerful and influential have an enduring and eternal responsibility to ensure that all our citizens have a stake in the country's future. This Queen's Speech is another landmark in our millennium mission to create a new Britain, built on the foundations of social justice and economic prosperity.

3.4 pm

Mr. William Hague (Richmond, Yorks): It will be a pleasure in a moment to congratulate the proposer and seconder of the Loyal Address, but I begin, as is customary and right, by paying tribute to the three hon. Members who died during the previous Session.

Derek Fatchett will be missed by all in the House and most especially by Yorkshire Members. He and I used to enjoy very much our annual lunch with *Yorkshire Post* journalists, where we would swap gossip about our respective parties. He was a very able Foreign Office Minister. I remember the new King of Jordan telling us

[Mr. William Hague]

earlier this year that his work was greatly valued in the middle east. It is very sad to have to talk about Derek in the past tense.

Roger Stott was also popular throughout the House. It speaks volumes of him that, despite the many prestigious posts that he held, including Parliamentary Private Secretary to the previous Labour Prime Minister, he was always proudest of his achievement as Rochdale's housing chairman, when he completely refurbished the town's entire pre-war housing stock.

When the House lost Alan Clark, it lost one of its great characters: brilliant, irreverent, passionate about many things, a book lover's dream and a Whip's nightmare. He described himself as "Genghis Khan, only richer". I can imagine the entry in his diary for today, from wherever he is writing: "17 November. Another dreary beginning of the Session, and this time I was the subject of the usual sanctimonious tributes, especially from that dreadful man Hague. Mind you, the Speaker looked particularly fetching." The House, politics and public life in general are poorer without Alan.

It is also the duty of the Leader of the Opposition on these occasions to pay tribute to the proposer and seconder of the Loyal Address. The Government always hand out these opportunities as prizes: one to a promising new Back Bencher whose career could be ruined by a bad speech and the other to a seasoned veteran whose career could not be saved by a good one.

After a good speech, the hon. Member for Bury, South (Mr. Lewis) can relax in the knowledge that his career is safe—at least until I have praised him. It was when he and I appeared together at a Jewish charity event in Manchester recently that I first learned that he admitted to a lifelong, passionate and traumatic relationship with someone other than his wife. Thankfully for all concerned, as he mentioned today, that relationship is with Manchester City football club, which is having a good season in the first division, so perhaps after today there is a chance that they might be promoted together.

The task of praising the right hon. Member for Copeland (Dr. Cunningham) is a little more complex, especially as in our most recent encounter the phrases used included "insufferable arrogance" and "breathtaking hypocrisy"; but I am quite fond of him really. It was bad news all round when he left the Ministry of Agriculture, Fisheries and Food last year—for the current Minister, who had to take on his job; for manufacturers of luxury office furniture, which are now entirely dependent on Lord Irvine; for British Airways, whose share price immediately collapsed; and for him, because he went on to do a job in the Cabinet Office that did not really exist.

That did not seem to worry the right hon. Gentleman, however, and one of the charming things about him is that he is an eternal optimist. I remember him visiting the Ribble Valley by-election campaign in 1991 and confidently telling everyone that Labour would win. The Labour candidate got 4,300 votes out of the 46,100 cast. [HON. MEMBERS: "What about the Liberals?"] I am coming to them in a minute.

It was the right hon. Gentleman's eternal optimism on television on general election night in 1992 that led him confidently to tell everyone that Labour was still going to win even as the results came in. It was his eternal optimism again that led to a newspaper report two weeks before last month's reshuffle stating that the Cabinet enforcer had

"told friends that Tony Blair believed he was performing a valuable 'managerial' role at the heart of government".

That is another blind trust of which the Prime Minister took advantage. At least the right hon. Gentleman has left office—I think that it is him—with that famous photograph of a fellow Cabinet Minister in a compromising position. As you would say, Madam Speaker, for greater convenience I have obtained a copy. I can now reveal what is in the photograph: it features the current Minister of Agriculture, Fisheries and Food eating a baguette.

The right hon. Member for Copeland has had a long and distinguished career, stretching back to ministerial office in the last Labour Government. Bernard Ingham describes him in his memoirs as exceptionally able. The right hon. Gentleman's speech today and that of the hon. Member for Bury, South were most able, and I congratulate them both.

As usual, there are some things that we can welcome in today's Queen's Speech, and we will look closely at the detail of Bills dealing with mandatory drug testing, reform of the Child Support Agency, wildlife protection and other measures in the programme. We will also look with great interest at the Government's proposed reform of the system for children in care. Because of my time as Welsh Secretary, when I set up the north Wales child abuse inquiry, I am distressingly familiar with the scandal of the treatment of children in care. We owe these vulnerable children everything, but, too often, we give them worse than nothing despite the dedication and commitment of so many staff. I hope that the Government can tackle this national disgrace.

We also welcome the absence of some things from the Queen's Speech—for instance, any measure to meet the Prime Minister's manifesto commitment to hold a referendum on proportional representation in this Parliament. The poor old Liberal Democrats have behaved themselves all year, not saying boo to a goose, and they look cheerfully expectant on days such as this. What do they get in return? Nothing. What a shame that the Liberal Democrat leader has gone in a few short months from "Have I Got News for You" to "I'm Sorry I Haven't a Clue".

Of course, the Liberal Democrats are not the only ones having problems with electoral systems at the moment. After the shambles we have seen in London in the past few days, I do not know how the Prime Minister could, with a straight face, write these words into the Queen's Speech:

"My Government . . . will make it easier for people to participate in elections."

That must be the first instance of something being put into the Queen's Speech entirely as a joke. If the Prime Minister is finding the problem so difficult, I have a solution for him. Why does he not split the job of mayor of London? The former Health Secretary can run as his "day-mayor" and the hon. Member for Brent, East (Mr. Livingstone) can run as his "night-mayor" The Prime Minister is thinking about it, I can tell.

More seriously, the whole House will welcome the progress made this week in Northern Ireland under the skilful chairmanship of Senator Mitchell, without whom

it could not have happened. That is a great tribute to him and to others—to all involved, particularly the leader of the Ulster Unionist party. It is now the clear responsibility of the terrorists and their political representatives to deliver and to demonstrate once and for all that their commitment to democracy and rejection of violence are for real. Following the statements made this week, we can now look forward to the formation of an inclusive Executive alongside the beginning of a credible and verifiable process of decommissioning, leading to complete decommissioning by May 2000 in accordance with the Belfast Agreement. However, we all look to both Governments to state clearly that if the republicans fail to fulfil their obligations to decommission their arms, it will be Sinn Fein, not the Unionists, that faces the penalties.

The Gracious Speech includes a Bill to implement the Patten report on policing in Northern Ireland. Many of the recommendations are non-controversial and will have our support, but there are others that are highly security sensitive and we believe that it would be dangerous to introduce them before there is a lasting peace and decommissioning. All of us owe the Royal Ulster Constabulary a huge debt, so I ask the Prime Minister to give a guarantee that he will not bring forward any proposals that could undermine its effectiveness in combating terrorism and upholding the rule of law.

We cannot be so charitable about much of the rest of the Queen's Speech. Of course we welcome the state visit by the Queen of Denmark, and I understand that future state visitors may soon be able to enjoy London's newest tourist attraction. We read in the newspapers that the Prime Minister now employs so many spin doctors that he is thinking of moving somewhere bigger and turning Downing street into a museum. It could be even more exciting than the dome: followers of the mayoral election can walk through the zone of indecision; take a ride on the gravy train, and see the chamber of broken promises.

Unfortunately, however, the "year of delivery" zone will not be ready for the millennium. Do hon. Members remember the Prime Minister's year of delivery? He promised that he would cut class sizes, and a year later class sizes have risen. Where is the action in the Queen's Speech to improve schools? He promised lower waiting lists, and a year later the waiting lists for the waiting lists are double what they were. Where is the action to speed up treatment for heart bypasses and other serious operations? He promised to be tough on crime, and a year later police numbers have fallen. Where are the measures to reverse the fall in police numbers?

Mr. Bob Blizzard (Waveney): The right hon. Gentleman mentioned crime. Will he take this opportunity to apologise to the House and the nation for the fact that crime doubled during the 18 years of the Governments that he supported?

Mr. Hague: The previous Conservative Government added 16,000 to the number of police officers in this country; it has taken the Home Secretary two years to reduce that number by more than 1,000.

This Queen's Speech will do nothing to reverse the Prime Minister's broken pledges. This is supposed to be the programme that will take Britain into the new century and it is probably the last full programme of this Parliament, but it contains nothing for families, nothing for savers, nothing for schools, nothing for the NHS and nothing for business. There is nothing in this Queen's Speech to make next year anything other than another year of no delivery.

The Prime Minister has produced a Queen's Speech in which, unbelievably, those Departments that have made the greatest mess of things this year get the most legislation next year. It is as though he had devised a competition to make sure that the most incompetent Cabinet Ministers spend as much time as possible in the one place where he will never clap eyes on them—here in the House. Who—

Mr. James Plaskitt (Warwick and Leamington) *rose—*

Mr. Hague: I think that the hon. Gentleman will want to hear this.

Who has won the competition? Perhaps it is the Deputy Prime Minister. No, even in the league of incompetence he has not quite made it to the top. Step forward the Home Secretary—this year's winner of the league for departmental foul-ups, ineffective legislation, ministerial bungling and misrepresentation of his own policies. He deserves his victory.

Mr. Plaskitt: Will the right hon. Gentleman explain to the House how scrapping the national minimum wage would help families?

Mr. Hague: There is nothing in this Queen's Speech to help families. The effect of the minimum wage on the level of wages and employment remains to be seen, and every sensible person should consider those effects.

The Home Secretary faces a situation in which crime is set to rise after years of falling; each month shows record numbers of bogus asylum seekers; terrorist suspects have been released because the Government left out key parts of legislation; Soviet spies are uncovered but not charged; injunctions are taken out against newspaper leaks by Ministers who live by leaks; and there was a complete distortion of police numbers in the Home Secretary's conference speech, which was then exposed by a letter from another member of the Cabinet. It is enough to make people want to leave the country, but under this Home Secretary people cannot even get a passport.

With at least 10 Home Office Bills to come, we might think that at least one would be tough on crime or tough on the causes of crime. Now we know that that was part of the great Labour lie. Where is the common-sense legislation to ensure tougher and more honest sentencing? Where is the common-sense legislation that would put victims first? Where is the common-sense legislation to reverse the cut in police numbers and get the police on to the streets? Instead, we have a Bill to abolish trial by jury.

> "Surely, cutting down the right to jury trial, making the system less fair, is not only wrong but short-sighted, and likely to prove ineffective."—[*Official Report*, 27 February 1997; Vol. 291, c. 433.]

That is what the Home Secretary himself said just two years ago.

The Government are doing not what they promised to do, but what they promised not to do. They say one thing and do another. They said before the election that they would protect jury trials and increase police numbers. Now jury trials are being abolished, while police numbers have fallen by 1,000.

[Mr. Hague]

We see that again with the party funding Bill. It is quite right that the Neill committee's recommendations on party funding are being implemented, and we will support them. However, the Neill committee also made a clear recommendation about the funding of future referendums, saying that there must be a fair opportunity for each side of the argument to be properly put to the voters. The Home Secretary said in July that the Neill Committee had made a number of suggestions for change relating to referendums and that the Government accepted them all.

Why do the Government's proposals ignore the Neill committee's recommendations? Why is the Prime Minister about to entrench in law rules that are blatantly unfair and recommended by no one? The answer is clear. If the new rules were implemented today, and the Prime Minister called a referendum tomorrow on, say, the single currency, the Yes and No campaigns would be unevenly funded. The Bill would mean that those in favour of abolishing the pound would be allowed to spend 50 per cent. more on their campaign than those in favour of keeping it. Faced with a referendum in which giving one third of the vote to the trade unions and handing over the voting list to the former Secretary of State for Health are not options, the Prime Minister has set out to create rules that guarantee an unfair referendum. If he proceeds with such rules, it will be abundantly clear that the only fair chance to choose between his intention to scrap the pound and our intention to keep it will be at the next general election.

Who came second in the league of incompetence? This time no one can deny the Deputy Prime Minister his due, for who could doubt that he has had a vintage year? He started it with his immortal statement about the green belt:

"The Green Belt is a Labour achievement and now we're going to build on it."

The right hon. Gentleman was standing in at Prime Minister's Question Time so much that Wednesday is now the only day that the Prime Minister spends in this country. As Lady Richard revealed recently, the Deputy Prime Minister has even been chairing Cabinet meetings. She says in her diary for a Cabinet meeting on 19 June:

"Blair said he was in favour of the Millennium Dome and then disappeared, leaving John Prescott in charge. The meeting fell apart."

The Deputy Prime Minister reminds me a little of an ageing Soviet leader in the old days. *[Interruption.]* I know that Labour Members do not like hearing about the Deputy Prime Minister. The right hon. Gentleman's power is taken from him, but he is still brought out to wave to the crowds at the party conference. Everyone pretends that he only has a cold, but it is rather worrying that he seems confused by simple questions and has to take a car to go even a couple of hundred yards. All around him his friends are quietly disappearing: Lord Macdonald is taking over his Department and Lord Falconer is taking over his role—purely for his own protection, of course.

From the way in which the transport Bill will hit middle Britain, it seems that the Deputy Prime Minister, who has been excluded from the Prime Minister's election team, has joined our election team. The Bill proposes congestion taxes, motorway taxes and car parking taxes, on top of more rises in fuel taxes and road taxes. We welcome effective measures to improve rail safety, but most of the transport Bill is a declaration of war against everyone who drives a car.

Maria Eagle (Liverpool, Garston): I notice that so far the right hon. Gentleman has not mentioned the economy, and he has been reluctant to defend the previous Government's record. What is his position on the independence of the Bank of England? Is he in favour of it or not?

Mr. Hague: I will come to the economy if the hon. Lady will let me continue.

The transport Bill will do nothing to ease the chaos on Britain's roads and little to improve public transport alternatives. It is a vicious stealth-tax assault on car drivers. To Mondeo man, once so cherished by new Labour's spin doctors, it is another kick in the teeth. People work hard and save hard to own a car. They do not want to be told that they cannot drive it by a Deputy Prime Minister whose idea of a park-and-ride scheme is to park one Jaguar so that he can ride away in the other.

The transport Bill is not only about cars. To try to fool their own Back Benchers, the Government have stuck the privatisation of air traffic control on the end in the hope that no one will notice. The Deputy Prime Minister will present a Bill that is rambling, over-inflated, illogical and ridiculously cumbersome—funny coincidence, that.

Everyone is asking where the Minister of Agriculture, Fisheries and Food is in the league of incompetence. Indeed, where is he today? The Prime Minister has encouraged him to be like Manchester United, abandoning domestic competition and going international. The Minister is in the superleague for running the worst Department of Government in the whole of Europe. Indeed, we can congratulate him on winning that league. He has totally failed to defend Britain's interests; he has caved in to French demands after launching a boycott of all French food and spending a hectic three weeks trying to avoid camembert; and he has done what no one could have believed possible by turning our T-bone steak into an accessory to a crime.

The Minister has taken lessons in European negotiations from the Prime Minister, the expert in selling this country's interests down the river. The Prime Minister thinks it impossible to stand up for a view in Europe unless a majority already agrees with it. That stance would never have secured our budget rebate or won the single currency opt-out. The Prime Minister threw away our social chapter opt-out without winning a single concession in return. He abandoned our veto in 15 separate areas, but got nothing in return.

At the spring European summit, the Prime Minister began negotiations faced with a bad deal on milk quotas that his own official spokesman had said was not satisfactory—then he happily signed up to a deal that was far worse.

Mr. Derek Twigg (Halton): Will the right hon. Gentleman give way?

Mr. Hague: I am not giving way on this point; it is the Minister of Agriculture, Fisheries and Food who gives way.

The Prime Minister accuses us of following an empty-chair policy, but his own small band of Members of the European Parliament have decided this week to boycott Strasbourg, leaving their seats empty as a protest against the French. He accuses us of pursuing an empty-chair policy, but it is never more empty than when the Prime Minister is sitting in it.

The truth behind the Government's policies on Europe and on the economy is that they think that a highly regulated and highly taxed superstate is the future. The rest of us can see that it is the past. That is why they are presenting a needlessly complicated Bill on e-commerce, which will tell business how it should license itself. Only one part of the Bill is necessary or desirable. That is also why they are imposing a heavy new tax on information technology businesses—the IR35—which, the Professional Contractors Group says—

Mr. Barry Gardiner (Brent, North): Will the right hon. Gentleman give way?

Mr. Hague: Labour Members should listen to what the Professional Contractors Group had to say. It said that IR35

"shows an astonishing naivety of the knowledge based entrepreneurial sector . . . that will kill the enterprise culture."

The Government's Financial Services and Markets Bill threatens to load more costs and bureaucracy on the financial services industry and we shall seek further concessions on that Bill during this Session. Only a Government who have lost all sense of self-awareness could possibly celebrate two years of introducing red tape and burdens on business by promising a deregulation Bill.

According to the Organisation for Economic Co-operation and Development, the tax burden is growing more quickly in Britain than anywhere else in Europe. The Government increase the tax burden and regulation and diminish our competitive advantage when the right way to prepare for the next century is to cut the tax burden and regulation and to increase our competitive advantage. The Chancellor should try to achieve that; instead, he plans to give with one hand and take away with the other. He announces measures for pensioners yet hits married pensioners with a tax rise of £500. He promises tax relief for charities, but cancels it out by taxing their dividends. The Prime Minister goes on about the knowledge economy yet denies all knowledge of his actions.

Let us consider the Freedom of Information Bill, which is the best example of the great Labour lie.

Several hon. Members *rose—*

Madam Speaker: Order. It occurs to me that the right hon. Gentleman is not giving way. Therefore, hon. Members must resume their seats.

Mr. Hague: I have given way several times and I shall do so again in a moment.

The Government talk about freedom of information yet the list of British taxes that are being harmonised in Europe would have remained secret if no one had looked at the Dutch Government's website. The reduction in the number of police would have remained secret if we had not seen a leaked copy of a Treasury letter. Tax increases of £40 billion would have remained a secret to those who listened only to the Chancellor's Budget speeches. Under the Government, Select Committee reports mysteriously find their way to Ministers long before the public, and the truth is the first casualty of every difficult situation. The person responsible for creating the climate of disinformation is sitting directly opposite: he is the Prime Minister.

Helen Jones (Warrington, North): While we are on the subject of freedom of information, will the right hon. Gentleman tell the people of Britain whether he remains committed to abolishing the working families tax credit?

Mr. Hague: We have always made it clear that we would have retained family credit. The disadvantages of the working families tax credit are that it brings more people into the benefit system and makes looking after other people's children more cost effective than looking after one's own. We will introduce our own proposals. We are not prepared to write budgets in opposition because one cannot do that—they are not my words, but those of the Prime Minister in 1996.

This year, for three consecutive weeks at Question Time, the Prime Minister told us what the CBI, the OECD and every taxpayer knows to be untrue: that taxes are going down. It took 18 questions for him to admit the simple truth that taxes are going up. When Sir Peter Kemp, a senior former Treasury civil servant was asked whether the economic statistics that the Prime Minister uses were less trustworthy than those used by his predecessors, he answered, "Well, yes."

The Prime Minister finds it difficult to tell the truth about many matters, however trivial. Three years ago, he confided to Des O'Connor that when he was 14, he stowed away on a plane from Newcastle to the Bahamas. In Newcastle airport's 61-year history, there has never been a flight to the Bahamas. In 1969, the only exotic destinations served by Newcastle were Jersey and the Isle of Man.

In an interview with a local radio station in 1997, the Prime Minister spoke of his passion for football and reminisced about watching his favourite Newcastle player, centre forward Jackie Milburn, from a seat behind one of the goals at St. James' Park. There are two problems with that statement: seats were not installed behind the goals until the 1990s and Jackie Milburn left the club when the Prime Minister was four years old.

The Prime Minister was at it again last week when he told listeners of the rock station Heart FM that his favourite tune was "Where the Streets Have No Name" by U2; when he appeared on "Desert Island Discs", it was Samuel Barber's "Adagio for Strings" and Francisco Tarrega's "Recuerdos de la Alhambra".

When the Prime Minister stands at the Dispatch Box and says that pensioners will not be hit by a new £500 tax, or that waiting lists are coming down, or that there will be 5,000 extra police, we have to bear in mind that nothing that he says about anything can be relied on. That might be funny when he is talking about tunes, food and childhood memories, but when he is talking about taxes, waiting lists, class sizes and police numbers he is seeking to debase and destroy the currency of political discourse in this country. Given the Prime Minister's example, it is no wonder that the Government's whole existence is based on selective leaks, twisted statistics, distorted facts, half truths and a total determination to prevent people from finding out what is really going on.

[Mr. Hague]

People across the country know what should have been in the Queen's Speech. Schools should be at its heart. There should be a Bill to guarantee parents real power and to create free schools run by head teachers and governors, not Whitehall bureaucrats. There should be a Bill to give patients in the NHS a guaranteed maximum waiting time, based not on party political targets but on actual medical need.

There should be Bills to bring about a revolution in crime fighting to prevent the rise in crime. There should be a Bill to protect the homes and assets of people who have saved for their long-term care. There should be help for working women to take career breaks to look after their children, with family scholarships to help them if they want to get back to work. *[Interruption.]* Labour Members ask for proposals, and then do not like them when they get them.

There should be moves to reduce the size and cost of government. Those costs have grown by £1 billion a year since this Government took office. There should be a Budget that would put an end to Labour's stealth taxes with an open and honest guarantee to cut the overall burden of tax in the lifetime of a Parliament.

The Queen's Speech should have spelled out to everyone that Britain will not be a pushover in Europe or anywhere else. It should have made it clear that we will be in Europe and not run by Europe and that we can make a success of our own currency, if we so wish.

The Labour Government pursue their own political priorities instead of rising to the challenge of preparing Britain for the new century. Future Queen's Speeches should not duck that challenge. They should turn the common sense of the British people into common-sense policies for the country. That is what the Opposition have to deliver—the common-sense revolution.

The truth that people will never hear from this Prime Minister is that this Queen's Speech does too little to prepare for the future, to widen our advantages over our competitors or to release the potential of our people. It does nothing that relates to the common-sense instincts of the British people.

3.38 pm

The Prime Minister (Mr. Tony Blair): The Leader of the Opposition gave us a lot of jokes in what was a great after-dinner speech—and he will be making many more of those if Michael Portillo gets elected.

I remind the Leader of the Opposition of what he said in the Queen's Speech debate last year. He said that unemployment would soar and that the Government's programme would "destroy jobs". I can announce to the House the latest unemployment figures, out today: since last year, unemployment has fallen by 120,000, employment has risen by 329,000, and we have the highest level of employment ever. That is the difference between good jokes and good judgment.

I join the Leader of the Opposition in paying tribute to those who died in the past year. I pay particular tribute to Derek Fatchett, who was an outstanding Foreign Office Minister. Derek and I came into the House together in 1983. I believe that it was only when he became a Minister that his real talent came through, and I have no doubt that if he had lived, he would have been an outstanding Cabinet member as well. He will be sorely missed.

I knew Roger Stott very well, for a variety of reasons, not least of which is the fact that we both beat Les Huckfield, whom people may remember, at selection conferences. He was a distinguished Parliamentary Private Secretary to Jim Callaghan, and I pay particular tribute to what he did in Northern Ireland. Even after he left the Front Bench, he always worked tirelessly for peace in Northern Ireland, and kept very good contacts with all sides. He was immensely respected and admired throughout the House.

So much has been written about Alan Clark—not surprisingly, the focus has been on his diaries and the odd indiscretion—but he was, of course, also a historian of immense distinction. I shall remember him, in particular, as a thoroughly decent and likeable man. Even if one did not always agree with him—very often I did not—none the less he was liked by Members in all parts of the House. We all thought, in the end, that he brought something special to British politics.

I join the right hon. Member for Richmond, Yorks (Mr. Hague) in congratulating the mover and seconder of the Address. The speech by my right hon. Friend the Member for Copeland (Dr. Cunningham) was a model of the way in which to move the Loyal Address— *[Interruption.]* I was about to say that if he ever needed any help with steering the right line between sycophancy and whingeing, I would be happy to give advice completely gratis.

I shall mention two things in particular. First, my right hon. Friend's service in public life, both to the Labour party and to the country, has been outstanding. As he said, he has served either in government or on the Opposition Front Bench for nearly a quarter of a century. Also—many of us will never forget this—he has one of the most priceless of political assets: enormous personal courage. He was at the forefront of the battle that the Labour party fought and won against extremism in the early 1980s. That would not have been achieved without the Jack Cunninghams of this world, and I pay tribute to him.

I also know that, as a renowned fell walker, my right hon. Friend will take great pleasure in the countryside Bill, which for the first time will open access to the countryside in a fair and reasonable way. He will also rejoice in the fact that this Session, the House of Lords will be rid of more than 600 hereditary peers—a reform that took 900 years, but which has now been made under a new Labour Government. Because we believe in fairness along with enterprise, my right hon. Friend the Chancellor has compensated the older hereditary peers with free television licences, so that they can watch our proceedings from home.

My hon. Friend the Member for Bury, South (Mr. Lewis) comes from a different generation, but he has exactly the same values. His speech was tremendous, and I assure him that, no matter what praise was lavished on him by the Leader of the Opposition, he has done himself immense good in the eyes of the House, and in mine, too. His was a great result at the general election—one of the results with which we were particularly pleased—and I am sure that after his contribution today, he will do even better at the next election.

Before dealing with the detail of the Queen's Speech, let me congratulate the parties on the progress towards a lasting peace in Northern Ireland. I say a very special thank you to Senator George Mitchell for all his efforts over the past few weeks. I know that many difficulties remain, but we should be proud that there are politicians of courage and stature in Northern Ireland, prepared to put the past behind them in an effort to give the children of Northern Ireland the decent future that they deserve. Let us hope that those people succeed, and I hope that in trying, they have the support of all parties in the House. I pay tribute to all that the Royal Ulster Constabulary has done. I shall, of course, ensure that no changes will inhibit its proper fight against crime and terrorism of all sorts.

The Queen's Speech has one central theme—to build a Britain of enterprise and fairness for all. For years in British politics, people thought that we had to choose. Either we backed policies that promoted business and sensible finance, but were indifferent to social inequality, or we engaged in old-style tax and spending to help the worst-off at the expense of sound economics.

The Chancellor of the Exchequer showed in his pre-Budget report last week how it was possible to combine enterprise, in measures such as the new capital gains tax regime, with fairness, in tackling social exclusion and unemployment. Moreover, he showed why it is necessary to combine those two things. In the new century, Britain will succeed only as a nation of all the talents, and human capital is our most precious resource. This Government understand that unemployment and poor education waste the country's assets, and that crime, bad housing and rundown inner-city estates hold people back while boom and bust destroys enterprise.

The Queen's Speech promotes sound economics and ushers in a new economy based on knowledge and skill, open to all. It alleviates poverty and social division, tackles crime, further reforms welfare and takes forward the modernisation of essential public services. In other words, it is enterprise and fairness together. At the heart of it all is our unshakeable commitment to economic stability.

I noticed that the Leader of the Opposition was due to come to the economy at some time in his speech. It was there for about two seconds, and then it suddenly went away again. We have the best chance of ending boom and bust in years—the £28 billion Tory borrowing requirement sorted out; public debt falling; interest payments on debt down by £4 billion; and inflation under control. That is no coincidence. We remember the Conservative years of boom and bust—interest rates at 15 per cent; a 7 per cent. fall in manufacturing output; 1 million jobs gone; and the national debt doubled. Let us remember them, and let us vow never to let the Tories back in charge of our economy.

Mr. Christopher Gill (Ludlow): I am grateful to the Prime Minister for giving way. He consistently boasts about low interest rates, low inflation rates and record employment levels. Will he now tell the House how that very satisfactory situation would be improved on by joining the single currency?

The Prime Minister: Until that intervention I had not realised how skilled my Chief Whip is—it is the only planted intervention that I have had from the Conservative party. First, I thank the hon. Gentleman for those plaudits for our management of the economy. Secondly, those who are best able to decide about the euro—subject to the consent of the British people—are those who produced this benign economic situation, not those who wrecked the economy with boom and bust. [HON. MEMBERS: "Hear, hear."] Thank you.

The new stability was delivered only by Bank of England independence and by new borrowing and spending rules. Given that the Leader of the Opposition has had two and a half years to work out his policy on Bank of England independence, I presume that it is present Conservative policy. The present shadow Chancellor—[HON. MEMBERS: "Not for long."] No, I believe that he will stay there for a long time. He said:

"We would not have given up control of interest rates in the first place".

The Leader of the Opposition said:

"They have given up control of interest rates when they should have kept hold of them."

More recently, he accused us of "dangerous arrogance" in granting independence for the Bank of England. Is Conservative policy to reverse Bank of England independence? We can see why there were so many jokes in the right hon. Gentleman's speech.

On the stable foundation of economic stability we have to build a knowledge-based economy, which harnesses the potential of new technology. That is why the Queen's Speech proposes Bills on learning and skills—post-16; electronic commerce; Post Office reform; competition and consumer rights in utilities; financial services; and regulatory reform.

At the same time, we want to ensure that work pays and to move off benefit and into work those who can work. The new deal has been a tremendous success: 350,000 people have joined it; 125,000 young people who were long-term unemployed are now in unsubsidised jobs with employers; 20,000 single parents have been able to get work, some of whom had never worked before; youth and long-term unemployment has been halved; and 700,000 new jobs have been created. None of that would have happened under a Tory Government.

New Labour is working and the Conservatives would reverse the work that we have done. The working families tax credit is lifting the incomes of 1.4 million families, some by as much as £24 per week. The minimum wage has meant a pay rise for 2 million low-paid workers. None of those measures would have been introduced by a Tory Government.

The Queen's Speech takes those measures further. The new further education and training proposals will open up new skills and technology courses to give people the skills that they need for the knowledge economy. Because many families do not earn enough to provide for a decent pension in old age and so are put off work, the new welfare Bill will make that provision possible for the first time through the state second pension. More than 6 million people will benefit. Three million disabled people with broken work records will get help for the first time and 2 million carers, who cannot provide for themselves because they are providing and caring for others, will be eligible to be credited with second pension contributions.

So, there is another round of welfare reform. We cannot do the good things—the things that get help to those people in need—unless we take the tough decisions to

[The Prime Minister]

reform the system. When we came to power, social security spending had risen under the Conservatives by more than £40 billion. It rose more in real terms than spending on schools, hospitals or law and order. During the previous Parliament, it rose by 4 per cent. per annum in real terms—one in five families of non-pensionable age had no one working. The Conservatives claim that they would finance all their new tax and spending programmes by cutting social security spending, but they never did it in the 18 years that they were in government.

Spending on social and economic failure is down today from what it was when we came to office. That was line one of our contract with the people at the last election. Social security spending will rise only by an average of 1 per cent. in real terms in this Parliament. That is because child benefit is up 20 per cent., there is more money for pensioners and because of the working families tax credit. So, where we are spending more, we are meaning to.

The Queen's Speech continues with that reform. The Child Support Agency, which is expensive, often unfair and arbitrary and failing to provide for hundreds of thousands of children, will be radically overhauled. Care services for children in care will be regulated and there will be a crack down on paedophiles and unsuitable people working with children. More help will go to the children of the poorest parents. If we provide that opportunity, we believe that we have a better chance of getting responsibility and law-abiding conduct from our citizens.

The Conservative central office brief for this debate stated that there were no measures in the Queen's Speech to cut crime. We are already cutting the time that it takes to bring persistent juvenile offenders to court. From 1 December, we will be introducing "Three strikes and you're out" for burglars, tougher sentences on rape and violence, anti-social neighbour orders, and new investment for closed-circuit television, DNA testing and police recruits. This Queen's Speech takes that further. There will be new action to break the link between drugs and crime. Punishment in the community will be transformed through extensions of electronic tagging. There will be fundamental reform of the probation service and we will prevent court and police time from being wasted on cases in the Crown court that should be tried in the magistrates court.

Some of those measures may be opposed on civil liberty grounds, but the civil liberty that is most prized by British citizens is the freedom to go about their daily lives free from crime and harassment and, when crimes are commited, for the perpetrators to be properly punished.

If we run a stable economy, if we make work pay and get people off benefit, if we reform welfare and tackle crime, then we can afford to spend on improving public services. Why did the Tories undermine our public services? It was because boom and bust economics meant that they had no consistent funding and because large numbers of people were on benefit when they should have been off benefit and into work. Dogma, of course, made them keener to privatise public services for the few than to improve them for the many—and that is what they are up to again, as I shall show in a moment.

Of course, waiting lists are still too long. Of course, we still need more doctors and nurses. Of course, we need better pay for teachers and more modern buildings, better transport systems and better rail and road services. But the one group of people who have no right to complain, who should be apologising rather than attacking us, is the Conservative party which created this mess because it put tax cuts for the few at the expense of public services for the many.

A lot has been done. Waiting lists for in-patients are falling for the first time in years. Yes, out-patients lists have risen; they were rising under the Tories. By the end of next year, they, too, will fall. More nurses are now in training: more doctors. Nineteen hospitals are being built with more to come. Every accident and emergency department is being refurbished. NHS Direct will by next year cover the whole country. Cancer patients who need urgent diagnosis will be seen in two weeks. Yes, we still have a shortage of cancer specialists. That is why we already have, under this Government, 400 cancer specialists in training. They will increase the numbers by 60 per cent. By the end of a five-year term, NHS spending will be more than 6 per cent. of gross domestic product for the first time. That is the spending that the Conservatives condemned as reckless and irresponsible.

On schools, 5,000 school buildings have been modernised with another 10,000 to come through the new deal. Class sizes for five, six and seven-year-olds are falling. For the first time in 10 years, in all our schools, the pupil-teacher ratio is on the way down. In two years, we have doubled the number of specialist schools and 200 beacon schools are being set up to spread excellence nationwide.

The literacy and numeracy strategies in primary schools—*[Interruption.]* I am talking about policy, so the Conservatives lose interest. When we get on to policy, they start talking among themselves. The numeracy and literacy strategies in primary schools, opposed by the Conservatives, have delivered the best reading, writing and maths results ever for 11-year-olds in this country. Every single one of those changes was opposed by the Tories.

Next year, thanks to the Queen's Speech and other measures, there will be a new transport Bill to end fragmentation of the railways and allow us to increase investment through partnership between public and private sectors.

All those reforms that we have introduced, especially in the health service, were opposed by the Tories. Reform, yes; modernisation, certainly. But this Labour Government will never privatise essential services of the national health service. That is not the case with the Tory party.

The Leader of the Opposition was very coy about his policy. Coy is perhaps too kind a description. I will now say what the Tory policy is on the national health service. It was set out by the shadow Health Secretary at a party conference fringe meeting. He began by saying:

"As one of the, I think, unreconstructed Thatcherite free-marketeers in the shadow cabinet, I'm a great believer generically in markets . . . The biggest problem that we have in the NHS is that it is not a proper market."

He went on to say that, under their proposals,

"Those waiting the shortest time will have to find other ways of getting the treatment required by perhaps having private medical insurance."

Then he went on to say:

"I think what we're proposing could revolutionise private insurance in the way we revolutionised pensions in the 1980s."

The Opposition should pay attention to this part because this is what they are fighting the next general election on. He went on to say:

"We therefore have to come forward with a completely new system. What we're starting is perhaps a Trojan Horse, because with the Patient's Guarantee, most of them haven't thought through the implications of what we're doing."

I will tell the country the implications—what the Trojan horse is. It is to give the patient's guarantee for waiting times for urgent cases and to force all non-urgent cases to go private. That is what the Conservatives' health policy is about.

Just a couple of weeks ago the Opposition health spokesman let the cat out of the bag in another speech when he said:

"Why is it so wrong for people to provide for some of their own health needs? After all, at the Government's insistence, 15.5 million of us do so every year when we go abroad. Why shouldn't we do the same at home? Let me put it bluntly, too few people are willing to invest in private healthcare."

How about this gem from the person who has joined him—the new health spokesperson, the hon. Member for Meriden (Mrs. Spelman)? In the past two weeks, talking about her own private health insurance, she said:

"I try to use the national health service if I can because it's important to see what it is like for people who do not have the privilege of private health care."

That is what the Conservatives are about. That is why the right hon. Member for Richmond, Yorks did not talk about policy. If one forces non-urgent cases out of the health service, as the Conservatives will if elected, that means hip replacements, varicose vein operations, tonsillectomies, hernias and cataracts. How do elderly people in the health service afford health insurance to cover that type of operation? The Conservatives have learned nothing from their past except how to repeat their mistakes.

Dr. Peter Brand (Isle of Wight): Does the Prime Minister agree that the reason why people are now considering private insurance for health is the abysmal record of the Government in the past two years, and the lengthening waiting lists?

The Prime Minister: We are putting more money into the national health service than the Liberal party ever pledged at the election. Of course it will take time to rebuild the national health service, but the difference between the Labour party, the Liberal Democrats and the Conservative party is that we want the national health service rebuilt whereas they want it simply as a sink facility for those who cannot afford to go private.

The Tory policy on health is just one of the policies that the Conservatives have made, but they have not made very much policy, as we saw from the speech of the right hon. Member for Richmond, Yorks. So let us see whether we can get a response from the Tories on any policy. Do they still oppose the minimum wage?

Mr. Simon Hughes (Southwark, North and Bermondsey): Will the Prime Minister give way?

The Prime Minister: In a minute.

The minimum wage was described by the Tory employment spokesman the other week as "a calamity", so I suppose that the Conservatives do still oppose it. We do not know.

Are the Conservatives committed to scrapping the working families tax credit? Definitely. We have definitely got them there—well done, that is a policy.

Mr. Bowen Wells (Hertford and Stortford): On a point of order, Madam Speaker. Is the Prime Minister responsible for the policy of the Conservative party?

Madam Speaker: The Prime Minister and any other Member of the House make what speeches they wish to make. The Prime Minister is not spelling out the policy of the Opposition.

The Prime Minister: I am just trying to find out who is responsible for their policy. Do they still oppose the extra £100 to pensioners? [HON. MEMBERS: "Yes."] Do they still want to opt out of the social chapter? [HON. MEMBERS: "Yes."] Do they? Do they still oppose the literacy and numeracy strategy for schools? They are definitely still in favour of scrapping the new deal, I think. [HON. MEMBERS: "Yes."] Well, it was described by the new employment spokesman as

"a colossal and expensive failure"—[*Official Report*, 14 January 1999; Vol. 323, c. 430.]

He has also described it as

"a waste of public money and a fraud".

So I assume that they do favour scrapping it.

Two and a half years on, the Conservatives cannot tell us about a single policy position that they have. When the Chancellor of the Exchequer announced last year the extra public spending, they described it as "madness", "letting spending rip", "wrong", "reckless" and "irresponsible". Just a few weeks ago, the shadow Trade Secretary said:

"Labour's big mistake was to announce huge increases in public spending. The Opposition recommends reducing future spending plans."

At some point we should be told which spending plans.

The Leader of the Opposition says that we should "slash"—his word, not mine—social security spending. At the last count, the Tories had £4 billion of extra social security commitments. Where would they slash social security spending—on child benefit, pensions or disability? All the while the shadow Chancellor says that when he comes to power he will introduce legislation for a balanced budget, if you please. It is a new form of economics: spend more, tax less and balance the books. I think that we will call it Haguenomics—revolutionary it may be, but common sense it certainly is not.

There are only two ways such a ridiculous economic policy can end. One is boom and bust, going back to the policy of the 80s of deficit financing and tax cuts for a few at the top. The other is massive cuts in schools, hospitals, law and order, transport, pensions and child benefit.

Those policies are advocated by the people whom the right hon. Gentleman has allowed to be in charge of his party. While he makes the jokes, they make the policy. That is the deal. That is why Norman Tebbit says that he has never been happier in the Tory party.

[The Prime Minister]

The Tories have other policy positions. They want to renegotiate the basic terms of Britain's entry into Europe. As Sir Michael Butler, the civil servant responsible for negotiating in Europe for successive British Governments, wrote in the *Financial Times*:

"There is no likelihood whatsoever that other member states will accept the Conservative proposal as a basis for negotiation—not because of ideological federalism, but because it does not make sense."

The Tories say—this is the right hon. Gentleman's policy—that they will block any change to the European Union, including enlargement, if the renegotiation claim is not met. There is not one other member of the European Union that agrees to that—not one. [HON. MEMBERS: "Norway".] They need all 14 to agree to it, so there is no chance of such a strategy working, except that that is not their true strategy.

I have been investigating the anti-federal group in the Conservative party, which now contains more than 10 Front-Bench spokesmen and more than 60 MPs and MEPs. When the group was launched, it published this statement on its website:

"If it is not possible to attain these ends by negotiation we must withdraw from the European Union".

Mysteriously, a few weeks ago, that statement was removed. But that is their real game: in Europe, but running out of Europe.

The right hon. Gentleman's position on beef was to lambast us for being pusillanimous and weak by not standing up to Europe. Just suppose that we had taken his advice. We would now have to rely solely on European law, having refused to discuss anything with France, because that would be "grovelling"—I think that was the word he used. At the same time, we would have launched an all-out trade war banning French produce in breach of European law, and would be taken to court ourselves. What a strategy. Thousands of British workers would have been laid off, and Britain would have lost any chance of selling beef to France.

As for the Tories' attack on my right honourable Friend, the Minister of Agriculture, Fisheries and Food, he is the one agriculture spokesman who has talked some sense. As for Mr. Yo-Yo, the Tory spokesman, the week before last he said:

"Do you really believe that leaving all this to some legal action by the European Commission . . . is in any way an adequate response to the crisis"?

Last week, he said:

"We and the British people . . . demand an immediate precautionary ban on all French meat products."

Yesterday, he said:

"We've always said that the right way to do this was to use the European Commission machinery."

It is pathetic. They are a pathetic Opposition.

The Tories have made three big strategic decisions this summer: on membership of the European Union, on the national health service and on the economy. On each, they are more extreme than ever before and more right wing than ever before, with the moderates subject to reselection and the extremists promoted to the Front Bench. It is Thatcherism without restraint and the British people do not want it.

Mr. Simon Hughes: May I take the Prime Minister back to his policies, rather than someone else's? The Government support replacing a publicly run underground in London with a public-private partnership, yet they will not reveal any of the facts and figures on which their conclusion is based. To resolve some of the Labour party's internal difficulties, will the Government publish the information they commissioned, allow London government to make its own decision instead of trying to run it from the centre, and amend the freedom of information legislation to ensure that such information is published in future, not banned?

The Prime Minister: The hon. Gentleman forgets that our proposal was based on no fewer than three independent studies and is the best way forward.

Mr. Hughes: Publish them.

The Prime Minister: We continuously publish information on why we believe the public-private partnership is better. The reason is that we have to combine a publicly run underground with safety in the public sector and private sector management to get the capital work done. If we do that, we shall get decent value for money, whereas if we follow the Liberal Democrats' plans, we shall not get the investment in the tube that we need and the system will fall apart.

The Queen's Speech carries on the programme of radical reform of the constitution through measures on party funding and freedom of information, and measures on welfare, criminal justice, public services and the economy. It is a Queen's Speech that promotes modernisation, but, more than anything else, it illustrates the stark choice—

Hon. Members: Everyone is leaving.

Madam Speaker: Order.

The Prime Minister: The Opposition will do almost anything but discuss policy, Madam Speaker.

Illustrated in the Queen's Speech is the choice between enterprise and fairness under new Labour, or boom and bust and spending cuts under the Tories; between renewing the national health service and privatising it, which is the Tory plan; and between curing social division and widening it. It is the choice between a new Labour party that can address the challenges of the new millennium and a Conservative party that is more extreme than ever before. I have no doubt that, faced with that choice, the country will back a party that takes difficult decisions, recognises tough choices, and combines enterprise and fairness, which are the best, most dynamic, values that represent the good of the British nation.

4.13 pm

Mr. Charles Kennedy (Ross, Skye and Inverness, West): Along with—*[Interruption.]*

Madam Speaker: The right hon. Gentleman can throw his voice.

Mr. Kennedy: In fact, my voice is not as throwable as it should be, so there is a practical problem, Madam Speaker.

I follow the Leader of the Opposition and the Prime Minister in paying tribute to Roger Stott, Derek Fatchett and Alan Clark. Roger Stott was a long-standing colleague in the House and a good friend. When I learned of his death, it seemed unbelievable that, only two weeks before, he had visited my constituency on parliamentary business; it all happened so terribly fast. As has rightly been said, Derek Fatchett was in the process of making a significant contribution to foreign affairs, as all of us who take an interest in such matters were aware.

As for Alan Clark, he was one of the great characters who, to use Denis Healey's phrase, had a hinterland—distinguished and occasionally spicy—outside politics. He made a significant comment to me when I reviewed his diaries, which I thoroughly enjoyed: the smell of politics, whisky and cigarettes rose from each page, as though one was sitting in the Smoking Room of the House. On my way to a radio studio to discuss the diaries with him, I told him how much I had enjoyed them, to which he responded, "The most significant thing of all, Charles, is that not one swine sued." He did not actually use the word "swine", Madam Speaker, but it is before the watershed and I do not want to get thrown out of the House in the first minute of my speech; I am sure that those who knew Alan can imagine the term he used. Nevertheless, the significant point is that, despite some fairly spectacular revelations, he was not sued. I think we can assume, therefore, that as with so much of what he said, whether one agreed or disagreed with it, he brought a luminosity of truth to the proceedings—certainly, as he observed them.

I also pay tribute to those who proposed and seconded the motion. Let me say first, however, that—this in connection with a Queen's Speech that features proposals for a Freedom of Information Bill, of which more later—my office was under the impression late last week that, ridiculously, the Government were trying to keep the identities of the two Members involved secret. When we asked the Whips Office who would propose and who would second the motion, so that suitable remarks—or insults—could be prepared, the Whips Office said that we had better talk to the political office at No. 10; so we did. The political office said that we should speak to the Prime Minister's parliamentary private secretary, so we did—and the Prime Minister's PPS said that we should talk to the Government Whips. It is good to see joined-up government in action.

I much enjoyed the speech of the right hon. Member for Copeland (Dr. Cunningham), as did the whole House. In his penultimate post as Minister of Agriculture, Fisheries and Food, in a Government who are very much driven by image, the right hon. Gentleman was responsible for one of the most memorable images of that Government's tenure so far. It takes a lot for a Cabinet Minister single-handedly to get a million people on to the streets of London, but he did it with the countryside march.

The right hon. Gentleman is known, deservedly, as a snappy dresser in the House. The *Evening Standard* has never been his greatest fan, particularly when he was Minister of Agriculture, but I can testify that I have never seen him wear jackboots. He was once described, by Matthew Parris—I had better say that, or he will invoice me—as having

"the saturnine good looks of a swarthy praying mantis and the adenoidal menace of a slightly sadistic junior geography master; he speaks as though twisting a small boy's ear as he hammers home the admonition".

Well, we enjoyed the admonition this afternoon, and we wish the right hon. Gentleman well.

The hon. Member for Bury, South (Mr. Lewis) has been described in Roth's "Parliamentary Profiles" as "a youthful Blairite". I do not know how far loyalty to the sycophancy factor now extends on the Labour Benches, but the phrase "youthful Blairite" suggests that the Blairite Sun King—if I may use my predecessor's term—is not himself youthful, so he may not be quite Blairite enough.

We have heard about the hon. Gentleman's support for Manchester City football club, but we should also pay tribute to the immense amount of charity work that he has done for his community, in his earlier professional life as well as in his constituency. We Liberal Democrats congratulate him on his speech.

Before I deal with the Queen's Speech, let me—again, on behalf of my party—pay tribute to the contribution that the right hon. Member for Upper Bann (Mr. Trimble), the leader of the Ulster Unionists, is currently making to the Northern Ireland peace process. At times it has been a painfully slow-moving scenario, but only today there has been a quickening of the pace. Let us hope that the scenario becomes a fully successful one. The more the House can support the endeavours of the right hon. Gentleman and the other parties involved, the better.

Let me now turn to the Queen's Speech. I was struck by the fact that it is not until the ninth or 10th paragraph that we read any details of what the Government propose. I know that they have got propaganda down a fine art, but any individual Member who went to the Table Office attempting to frame parliamentary questions featuring the degree of self-justification and political argumentation that appear in the first nine paragraphs of this speech would quite properly be ruled out of order. The Government would have done better to get on with the business and the meat, rather than introducing so much style and dressing at the beginning. Given that we are moving into the second half of the current Parliament and, one assumes, into a more electoral atmosphere in the House, the general lack of ambition in the speech is disappointing.

As has been said, 1999 was supposed to be the year of delivery, but there has not been sufficient or adequate delivery in terms of schools, hospitals, class sizes, waiting lists and waiting times. Great claims were made, but the outcome has been disappointing. Why is that? Let us be fair. Many of the Government's instincts are good, but those instincts are suffering as a result of the Government's timidity, as has been revealed in the Queen's Speech.

Let us begin with the positive. It is excellent news that there are plans to extend the Race Relations Act 1976 to the public service. It is ludicrous in particular that, under the original legislation, the police have always been excluded. We welcome those plans without qualification.

Many Liberal Democrats welcome the fact that the Government are introducing further moves to equalise the age of consent for gay men. That is the correct thing to do. It is a step towards more equality, which we have long advocated, for gay men and for lesbians. There should be fundamental equality before the law, so it is the role of Parliament to redress the position. I am glad that the Government are returning to the matter.

I urge the Government to go further on these and related matters. There is surely a need for more comprehensive equality legislation, seeking equality of

[Mr. Kennedy]

treatment and, indeed, access to justice for all who face discrimination, whether because of age, disability, race, religion, sex or—the age-of-consent legislation will attend to these people—sexual orientation.

I move to measures that affect all of us in our respective parties. The inclusion of a Bill to regulate the funding and spending of political parties has to be welcome, but our support for the detail will, self-evidently, have to wait for the detail itself. A cautious welcome can also be given to the care standards and care leavers Bills, which will cover social services, health care, child care and young people leaving care. Of course, we will support initiatives to raise standards in those sectors, but we will need to study the detail carefully to ensure that local authorities are left enough flexibility to tailor services to their localities' specific needs.

Again, although in some areas the Government are moving in a way that is worthy of support, too often they are held back by timidity, or by their old centralising habits. The first and foremost example is the Freedom of Information Bill. We have long advocated that policy and have been involved in discussions with the Government since the draft Bill was published last May. We welcome the concessions that the Government have made since then, but their centralising tendency is again in the ascendant. We will do all we can to improve the Bill in its various stages through Parliament.

It is worth bearing the following point in mind. Even after the Freedom of Information Bill, as proposed to be drafted, becomes law, it would still be possible to keep much information from the public which the information commissioner would not be able to order the Government to produce. That cannot be regarded as full, meaningful freedom of information legislation. It is still partly defence of Government secrecy legislation.

On constitutional reform, given the kind words of the leader of the Conservative party on the matter, I will be straight with him. The Liberal Democrats are very disappointed with the position that the Government are taking, although not wholly unsurprised. We are disappointed that they have chosen not to give details of a second Chamber reform Bill.

As I stood at the other end of the building this morning listening to the Gracious Speech and gazing around the finery of the Lords Chamber, I could not help but think, "If this is reform, we need a bit more." I suspect that, in the interim House, we will have, as was evident this morning, fewer tiaras but more parliamentary tantrums. There is no substitute for going full scale towards the second stage and completing Lords reform. The fact that the Government are still hiding behind the royal commission suggests that they do not know what they want to do next. We do: we want a fully elected second Chamber. That is what Parliament and the country need.

We welcome the inclusion of a local government Bill, particularly as it will include the provision to repeal section 28 of the Local Government Act 1988. We share the Government's desire to make local government more innovative and accountable—it would be hard not to—but the Bill will not go far enough. Local government has a bad reputation among too many people.

The low turnout for local government elections should serve as a warning to all who care about democracy—presumably that involves hon. Members—that people do not feel engaged in local politics. Why is that? They know that, all too often, their votes do not count and make no difference because councils do not have the power to do the things that really matter to them in their locality. That is why we advocate two things. First, councils should have the power of general competence to enable them to do anything that they are not specifically prohibited from doing. Secondly, in parts of the country, decades of one-party rule have bred arrogance and downright corruption. Against that background, the introduction of fair votes would do more than anything to rejuvenate local government and break what are all too often local bastions of Labour incompetence and corruption.

The policy of fair votes for local government is strengthened by legislation that has already been enacted by the Government. We can have our arguments about whether there should be elected mayors—I could forgive the Administration this week for thinking that they may have been mistaken about that—but the Government attached to the concept of a mayor for London fair votes for assembly members. So they have already established the principle of fair votes within the single most significant local authority area in terms of population, wealth and spending capacity; surely therefore it should be extended elsewhere.

The case for fair votes goes further than just local level. The Prime Minister and his party had a manifesto commitment to hold a referendum on electoral reform for Westminster elections during the lifetime of this Parliament. Today's speech makes it clear that the Government have no intention of honouring that commitment to the British people. A Bill to bring about a referendum on electoral reform could have paved the way for the British people to choose between first-past-the-post and the proposals of the Jenkins commission. They are being denied that choice.

Politics and participation in politics are devalued when Governments fail to honour manifesto pledges. During the election the Prime Minister said, "Trust me." People have been willing to trust him on a large number of things, but on this issue there is a fundamental breach of trust and the Prime Minister should acknowledge that.

I come now to the Bill on welfare reform and the proposed changes to child support. The House agrees that the Child Support Agency cannot go on in its present state, but there should be fundamental reform rather than still more tinkering. The Government want to simplify the system, but as we know from our constituency experience, simplicity often means rough justice under the CSA. The Liberal Democrats want to see the abolition of the Child Support Agency, to be replaced by a new unified system of family courts that will ensure that decisions are fair and appropriate to the financial circumstances of all concerned.

Even more worrying in the area of social policy are the provisions that propose to remove benefits from those who do not comply with community sentences. The Government are right to look at how to deal with crime, especially since under their tenure police numbers have fallen by 1,000. Also, as was made clear in earlier exchanges, the Conservative party's track record in office of dealing with crime in the inner cities or the hidden crime in rural areas is not such that they speak from a position of credibility. Removing benefits from those who fail to comply with community sentences is self-evidently unacceptable, however. We argue that it could well drive

the people involved further into law breaking. In many cases, the measure would penalise not only the offender, but his or her dependants as well.

One is not soft on crime because one opposes such a measure—Liberal Democrat Members would certainly, for example, support tough sentences for serious offenders. The key point is that the measure is illiberal, potentially counterproductive and could increase crime; and we shall oppose it.

It was distressing to hear the Prime Minister today re-run what was once a traditional Tory argument—that the greatest offence to civil liberties is when people do not feel safe walking the streets. Although such a situation is a deep offence to civil liberties, we shall not promote and protect people's feeling of safety by overturning other civil liberties. Public safety and civil liberties are not mutually exclusive.

The environment and public transport have been neglected for overlong by the Government, and their new proposals certainly do not go far enough. When it is printed, the proposed Bill giving greater access to the countryside will have to be studied closely before a final conclusion on it may be reached. We certainly believe in enhanced—but, equally, managed—access to the countryside.

For the past two and a half years, the Government have talked tough to car users while doing very little to improve public transport alternatives. In light of the Paddington tragedy, attention has rightly been focused on the safety of our railways. Against that backdrop, we broadly support most of the proposed transport legislation, as far as it goes. However, the Government's intention to introduce a public-private partnership for the delivery of air services is deeply worrying. It is code for part-privatisation of National Air Traffic Services, and Liberal Democrat Members will strongly oppose it in the House.

As a fully public body, the sole concern of National Air Traffic Services is safety, but the minute the profit motive is introduced, that can no longer be the case. The Government must think again on the matter—as I think that they will be encouraged to do not only by Liberal Democrat Members, but by Labour Back Benchers.

We have serious reservations about two other criminal justice proposals, the first of which is to introduce mandatory drug testing after arrest. As I said, we are certainly not soft on drugs or crime. However, it is one thing to test bad drivers for drugs as well as drink, and another to test for drugs everyone arrested as soon as they walk through the doors of the local police station. The proposal involves important civil liberties issues.

Secondly, in the coming Session, the Government's plans to curb jury trial in England and Wales will face a battle royal from Liberal Democrat Members. The arguments in favour of change do not add up. Only 5 per cent. of completed criminal cases end up in the higher courts, and the Scottish system—my hon. and learned Friend the Member for Orkney and Shetland (Mr. Wallace), the Scottish Minister for Justice, is beside me in the Chamber—with its accountable prosecutors and full-time judges is not a parallel.

There are other ways of reducing costs by improving criminal justice procedures. If the Government persist with their plans to curb trial by jury, their reputation as a defender of liberty will suffer irreparably.

We come now to what might be called items notable by their absence. Drugs are perhaps the greatest tragedy facing our society, but on that issue, the Government are burying their head in the sand. Politicians on both sides of the House are guilty, as there is too much of an ominous silence in Westminster for a rational and mature discussion on drugs. We make it clear, and I repeat, that we want a standing royal commission on the misuse of drugs to be set up, to investigate and consider strategies for combating the abuse of all drugs, including alcohol and tobacco.

Another huge omission from the Queen's Speech was mention of an issue of great importance for the United Kingdom, now and for the future—the single currency. Liberal Democrat Members have stated our position on the issue, and—to be fair—Conservative Members have stated their many positions on it. However, we need the Government to give the country a lead on it. A single currency preparations Bill would help the country to prepare sensibly for the euro, if the British people decide in a referendum that they want it. The Government's policy is to prepare and decide. That is fine, but first they must prepare. Britain in Europe is one thing, but Britain's long-term interests in Europe are another and they are suffering as a result of indecision and timidity at the top.

When I look back at the day in 1983 when the Prime Minister, the Chancellor and I entered the House for the first time and consider the motives that brought us into politics in our respective parties, I wonder whether any of the three of us thought that during our first decade and a half here we would see such momentous events as the collapse of the Berlin wall, Mandela walking free and becoming president of his country and the end of the cold war. There have been dramatic, historic changes during the period for which we have been privileged to serve here.

What do those events have in common? To me, they all show that what wins in the end, even in the most difficult circumstances, is the burning desire for liberty. They represent the triumph of the dignity of the individual, of human will over state imposition or state insularity, or quite simply, of freedom.

In this technological, globalised world where George Soros can make or break democratically elected Governments at the touch of a button and Alan Greenspan can send a shockwave through international economic markets with a single nuance, we have a Government with a benign economic scenario and a thumping majority, yet in the Queen's Speech, half way through this Parliament, they are being timid when they could do so much. They could do so much for those who need politics the most in this country, while being more liberal and recognising the importance of the individual to a far greater extent.

The Queen's Speech contains some policies worth supporting and we shall support them, but it also shows the Government's limited priorities. We have seen this afternoon that the Conservatives have no stance or policy and no effective opposition will come from them, but there will be rigorous and constructive opposition from the Liberal Democrats.

4.37 pm

Dr. David Clark (South Shields): I am delighted to take part in this debate on the Queen's Speech and to say how exciting the past two and a half years have been.

[Dr. David Clark]

The Government came to office on a theme of modernisation and regeneration—economic, social and political. Those themes were evident in the first two Sessions of this Parliament. During the first Session there were 52 Bills and during the second, 32. We have seen great and necessary changes.

I do not pretend for a moment that the past 30 months have been comfortable for everyone in this Chamber or in the country. Change, by definition, implies discomfort on occasions. However, I believe that the change brought about by the Government has been focused, directed and necessary for us to face the next century equipped to provide jobs for our people and freedom for our citizens.

As we move from the old industrial age to the new information society, driven by information technology, there are a dilemma and a paradox that have to be addressed. We must get the balance right between efficiency and modernisation on the one hand and individual liberty and guaranteed freedoms on the other. This is the right time to strike that balance.

I am encouraged by the fact that there is an e-commerce Bill in the Queen's Speech. If we are to survive in the global economy—and I believe that as an English-speaking nation we have great advantages on the internet and in e-commerce—we must get that legislation right. I have looked at the draft Bill and followed its progress and I am concerned that it could be too draconian. I am very conscious of the paradox highlighted by the need for liberalism and the desire of the police and security services to get heavy-handed on encryption and to demand the use of keys so that they can, in essence, be illiberal.

We must get the balance right. I hope that the Bill in its final details will err on the side of liberalism, because the way forward is to regenerate our knowledge-based economy through e-commerce. Let us not pretend. It is not a question of buying books from Amazon. It is about how we do business as a Government and as a country. If we do not get it right, we will threaten the whole of our electronic strategy for the future.

Mr. David Maclean (Penrith and The Border): Is there not a danger that if we go slightly too far in the Bill we will drive the electronic commerce companies and IT providers overseas, where they will provide exactly the same services as the Government are hoping to control here?

Dr. Clark: There are not many issues on which I agree with the right hon. Gentleman, but I certainly agree with him on that point. We are in the global market, and if we do not do it, someone else will. We must get the balance right and err on the side of liberalisation and a light touch.

I warmly welcome the proposed legislation on access to the countryside and on the protection of flora and fauna. It is interesting, when we consider the legislation giving us the freedom to wander the countryside on uncultivated land—I stress that we are talking about uncultivated land: mountains, moorlands, heaths and downs—to note that such a right to roam was demanded by Labour pioneers a century ago when our party was born. It is appropriate that we are to have such legislation in Labour's 100th year. We have had to wait 100 years for the new Labour Government to introduce this much desired legislation.

Mr. Bernard Jenkin (North Essex): Old Labour.

Dr. Clark: It is old Labour indeed: I tried to introduce a private Member's Bill to effect the change in 1979. Unfortunately, the House was not ready for it.

Now we are introducing powers to strengthen the protection of sites of special scientific interest and of animals. I believe that the overwhelming majority would sign up to that. In 1985, I succeeded in introducing two private Member's Bills on wildlife and the countryside, and it is good to see them being built on. I am beginning to think that if one hangs around long enough, some of one's ideas will come to fruition. Perhaps there can still be old Labour in new Labour clothing.

A key right in the Queen's Speech is freedom of information. I acknowledge the help and support that I have received from Liberal Democrat Members and, indeed, from the official Opposition. Last year, it seemed that they might be coming round to our views; but we must wait and see whether that is still the case.

Perhaps the most important thing that I did in the Cabinet was to draw up the White Paper on freedom of information. If we are to have a modern society with a proper relationship between Government and citizens, we must sweep away the culture of secrecy that has bedevilled this country at every level of bureaucracy. If we do that, we can start to rebuild the relationship of trust with our citizens. I tried to design a Bill that would serve not the press, lawyers and business people, but the ordinary men and women of this country. Once people entered the system, they would remain in it and the information commissioner would have the final say as to what should be withheld and what released.

I freely admit that I was very disappointed when the draft Bill appeared. I then became encouraged as I saw expert members of the Select Committee on Public Administration dissect the Bill, consider it and propose sensible improvements to it. I am delighted that my right hon. Friend the Secretary of State for the Home Department has seen fit to accept so many of those proposals, but we still have to persuade him further. We are not there yet.

Two aspects of the draft Bill and its amendments need to be changed. The first relates to the power of the information commissioner. It is critical that a Minister should not take the final decision as to what is released or what is withheld. I cannot understand the Home Secretary's concern in that respect. At the end of the day, there are enough checks and balances on the information commissioner for him or her not to be irresponsible. He or she will know what is in the interests of the security of our nation and what is in the interests of our citizens. The Bill must be improved to take account of that.

Another aspect of the Bill perplexes me. I do not understand why the Government are so resistant to the idea of the factual information given to Ministers being made available. I am not asking—I do not think that anyone is—for the information to be released on the day decisions are made, but, historically speaking, I do not understand why such information should not be made available. When we worked on the Cabinet committee

drawing up the White Paper, we published it and, afterwards, all the factual papers that had been presented to the committee. That did not cause any problems. Such information must be available.

We have an historic opportunity to move from being in the rearguard—we are one of the most backward countries in the western world about sharing information with our citizens—to being in the vanguard. We should not miss that opportunity. If we moved forward, we would enhance the reputation of a Government to whom I have been completely loyal and whom I fully support. However, we need to strengthen the draft Bill.

The theme of the Queen's Speech was enterprise and fairness, and rightly so. For all my political life, I have believed that one cannot be successful economically without social fairness. I also believe that over-regulation and red tape are damaging. They inhibit entrepreneurs, and I am delighted to see that a measure in the Queen's Speech addresses that problem.

I fully acknowledge that the new deal programme has been successful and that the Government have created thousands of new jobs. We have more people in employment than ever before and across the nation unemployment is low; I hope that it will get lower. I would be wrong, however, not to draw attention to pockets of the country that have not shared in that prosperity. My constituency is in the north-east of England. We used to mine coal, build ships and make steel. All those industries have gone, along with the industrial age. We are trying now to build a knowledge economy.

My area has good local government: South Tyneside district council was judged by the Audit Commission to be the most efficient unitary authority in England for the past two years. We do all that we can to encourage innovation and enterprise and to bring industry to the district. However, while the national unemployment rate in September was 4.2 per cent., my constituency's rate is almost four times as high, at 15.1 per cent. I concede that the figure is lower than in May 1997, but it is 1 per cent. higher than it was 12 months ago. Amid the national prosperity, pockets of the nation remain in economic difficulties. We do not have the social fairness that we need.

I draw to the Government's attention an early-day motion signed in the latter days of the previous Session by me and several of my north-eastern colleagues. I ask the Government to consider whether the Barnett formula, particularly as it applies to Scotland, could also apply to the north-east of England. Our problems will not be solved by the regional development agencies unless more money is made available. I hope that the Government will consider suggestions that the indicative projections of the amount of money available for the north-east next year could take a new Barnett formula into account.

Mr. Gerald Bermingham (St. Helens, South): Does my right hon. Friend agree that where objective 1 money is available, as in the north-west, the Government should be encouraged to support that money so that we may incur expenditure necessary for infrastructure to replace that of the ancient industries which, in my constituency as in his, have gone because of the passage of time?

Dr. Clark: As we approach the new century, there is growing acceptance that the old industrial society has gone. If we are to survive, as nations, regions or districts, we must attract different jobs with different and changing skills. I am encouraged by the fact that the Government are trying to provide fairness based on a new knowledge economy, as the Prime Minister and the Queen's Speech have emphasised today. The Government have succeeded in linking schools to the internet, in increasing money for training and enterprise councils and in ensuring that children of former shipyard workers and miners should work—I emphasise work—in different industries.

I applaud the Queen's Speech for combining fairness with enterprise as its main thrust. Getting that balance right would bode well for everyone in the United Kingdom in the next century.

4.54 pm

Sir Michael Spicer (West Worcestershire): I agreed much more with the right hon. Member for South Shields (Dr. Clark) when he went off message than I did when he stayed on message. When he suggested that the Queen's Speech would somehow bring the Government back into contact with people outside Parliament, I thought that there was not a cat in hell's chance of that happening, but when he discussed the Barnett formula, the House listened keenly. He is not alone on the Government's Benches in thinking as he does on that matter.

For instance, several Labour Members who share the right hon. Gentleman's view serve on the Treasury Select Committee, where they have expressed it. We will not leave the matter. Lord Barnett appeared before us seven or eight months ago and the right hon. Member for South Shields was right to say that it is nonsense that, for all sorts of phoney reasons, twice as much money per head goes towards some types of expenditure in Scotland as is the case across the border in England, where there is often greater poverty. I hope that the right hon. Member for South Shields pursues the matter. The Select Committee will return to it, much to the Government's concern. I laud and support the right hon. Gentleman's comments.

I find so much that is distasteful in the Queen's Speech that it is difficult to know where to begin. However, I shall restrict myself to three matters: I shall tackle two of them briefly and one in more detail. First, the undermining of the jury system, which the Queen's Speech proposes, is disturbing. I believe that I know what lies behind the proposal. It is part and parcel of a conversion to a European legal system, in which juries do not feature in the same way as in this country.

Most European systems are based on Roman law and are inquisitorial. The wording of the Queen's Speech suggests such a system when it states:

> "A Bill will be introduced to give the courts themselves the power to decide whether certain defendants should be tried by jury or by magistrates."

Most European systems are magisterial. The proposal calls into question Government statements that such a change to British law was not on the agenda, as the Prime Minister claimed two weeks ago in answer to my question about corpus juris. It manifestly is on the agenda.

[Sir Michael Spicer]

Even the Government accept that, on matters such as fraud, a move to a form of European criminal legal system is being considered.

Mr. Peter L. Pike (Burnley): Does the hon. Gentleman find it surprising that, in more than 50 per cent. of cases that elect for trial by jury, the plea is changed to guilty before they go to trial?

Sir Michael Spicer: I am sure that people can use all sorts of facts and statistics to support the view that juries should play less of a part. I simply make the point that the Queen's Speech proposes the undermining of a basic principle of the British legal system, and that the underlying reason for that is to make it converge, to use the current phraseology, with the European system. The current presidency proposes that with great vehemence—it is at the top of the list of matters that it believes that the European Union should accept. If one wants to establish a federal Europe, it is logical that there should be a single legal system. In the presidency's view, it is logical that the system should be inquisitorial. The tendency is disturbing and worth drawing to the House's attention.

Secondly, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said that he was worried about the proposals for a so-called reform of the way in which financial campaigns—especially referendum campaigns—are funded. It is wrong to put a restriction of £5 million on all political parties in the House, and provide that that limit will be imposed on any party that has two or more members when limits outside the House will be much tighter. Under those circumstances, the Conservative party, which is the only party that is specifically committed to opposing the single currency in a referendum—if it happens—could receive £5 million, whereas all the other small parties, which support the single currency, could receive five times as much money. That is a complete imbalance.

The other consideration manifestly missing from the draft legislation that has been trailed so far, and is now confirmed in the Queen's Speech, is: who will set the questions for referendums? Many factors that have nothing to do with money as such are being side-stepped.

Mr. Andrew Robathan (Blaby): My hon. Friend will know that, like him, I have carefully studied the Neill recommendations on referendums. The limit of £5 million for each party with two or more members has been plucked out of thin air by the Government, as a way of rigging any future referendum. It is as simple as that.

Sir Michael Spicer: My hon. Friend knows more than I about that matter, because he introduced an admirable Bill in the previous Session, which unfortunately did not get through Parliament. [HON. MEMBERS: "Shame."] It certainly should have got through. What my hon. Friend says on the matter therefore carries enormous weight, and of course I agree with him.

Mr. Maclean: My hon. Friend will wish to point out to the House that it was not simply "unfortunate"—nor was it an accident—that the Bill introduced by my hon. Friend the Member for Blaby (Mr. Robathan) did not get through. It was one of more than 50 admirable private Members' Bills blocked by the Government Whips on 23 July. All those Bills were stopped by the wreckers on the Government Benches.

Sir Michael Spicer: My right hon. Friend is right about that; it fits into a pattern. That point also answers the right hon. Member for South Shields: any attempt that we have made to try to bring about fairer elections—so that, in the words of the right hon. Gentleman, the people would be more associated with the Government—has been blocked. The reverse has happened, certainly with regard to the proposed utilities Bill.

That Bill has been trailed in some detail in two White Papers, and it had a precursor, or paving measure, in the Competition Act 1998. It promises to be arguably the most interventionist legislation since the second world war. Using words such as "markets", "competition" and "service", the Bill will bring about the co-ordinated and detailed central regulation of every major sector of the British economy. Energy, transport, telecommunications, finance, water and many other sectors will have their own regulators, who will link arms to provide a common regulatory strategy.

The Financial Services and Markets Bill now before Parliament—for some strange reason, it has been allowed a clear run between Sessions—gives us a foretaste of the powers that, if the trailing has been correct, will emerge from the utilities Bill. Following the precedent set by the Financial Services Authority, the regulators will be able largely to set their own rules, fix their own penalties and interfere as and when they wish with such crucial matters as pricing and investment policy. In other words, they will be in day-to-day control of much of the economy of this country.

If those powers were intended merely to further the cause of competition, there might be a reasonable defence for them—but they are not. If they were intended simply to encourage competition, they would fall away as more competition was introduced—yet that is not to be the case. All the evidence shows that, using the consumer as a human shield, a new and totally undemocratic form of government is being introduced. Once in place, the new mechanism will be able to deliver a mass of policies that have nothing to do with competition or better services.

The embryonic regulatory regime, guided by the Competition Act 1998, already does precisely that. For instance, the gas and electricity regulators concern themselves with protecting coal—the opposite of competition—and with questions of income distribution in the form of fuel poverty programmes. In Scotland, they concern themselves with ensuring that there is a separate Scottish market for electricity—everything to do with Scottish politics, but nothing whatever to do with competition.

Oftel is concerned with something that it calls "universal coverage"; Ofwat with water investment strategies; the Financial Services Authority with what it conceives is the reputation of the City of London; the Post Office regulator with questions related to privatisation; and the rail regulator with something called an "integrated transport industry". Although all those policies may be worthy causes, they have nothing to do with competition. They are all properly the concern of the House of Commons and of elected politicians. However, it is precisely those elected politicians who will be excluded

under the new regulatory regime, as they have been from monetary policy under this Government, thus rendering a large chunk of government totally undemocratic and unaccountable.

It gets worse. Under proposals set out on page 57 of "A Fair Deal for Consumers", the idea is mooted that there should be appointed

"a single cross-utilities panel of perhaps 8-12 with broad-based expertise amongst its membership in the water, telecommunications, gas and electricity industries."

Under paragraph 7.69, it says that the Government are inclined towards that option. In other words, not only is there to be a new and unelected form of regulatory government, but it is to have its own cabinet, capable of setting a national intervention strategy. We are back to central planning, especially of prices and investment. In effect, we are talking about parallel government, to be conducted largely in secret.

One can trace historically how that system of industrial commissars came about, just as we know the process by which, in the name of democracy, we have graduated to an entirely appointed House of Lords. All that is historically explicable; the question is whether it is defensible. In the case of the regulators, when monopolies and semi-monopolies were placed in the private sector, it was necessary to ensure that they were subjected to competitive pressure. In the case of the electricity and gas industries, for example, the answer was gradually to break up the industries and to introduce strict laws against anti-competitive action. In that respect, the 1998 Act was a good step.

However, as competition becomes genuine, as is the case with gas and electricity—a genuinely competitive market really is emerging there, or at least that was the case until the Government messed around with those industries recently—so the need for regulation should decline. In reality, it has moved explosively in the opposite direction.

I hope that the Conservative party will make it a major feature of our platform to oppose all that, not just to stem red tape and the burdens that that puts on industry, but as a matter of fundamental philosophical divide between ourselves and the Labour party.

Through this new regulatory regime, we are seeing the introduction of socialism on the cheap—pervasive and detailed central control, without the need for re-nationalisation of the means of production. If continued, it will destroy Britain's currently strong economy. One consolation is that it would eventually, therefore, destroy the Labour Administration. However, unnecessary havoc would have been wreaked meanwhile.

The pretence that new Labour was new Conservative was never a reality. In the beginning, the disguise was pretty good. Words such as "consumer", "competition" and "confidence" were used by the Labour party as if it meant them. The utilities Bill will show that it does not, and never did, and that the consumer has been used as a human shield to bring back socialism under another name. Competition is the smokescreen for all that. If this really were about competition, there would be many more references to the Monopolies and Mergers Commission, but there never are.

We in the Conservative party must do everything in our power to resist the process. It requires of us a commitment to introduce tough, genuine competition laws of the type that they have in the United States. That would be the opposite to what we are being given by the Government and it would move away from the central direction and control that are the thrust of this Queen's Speech.

5.11 pm

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): I listened, as always, with great interest to the hon. Member for West Worcestershire (Sir M. Spicer). I think that I share one belief with him—the jealously of accountability to this House of Governments and their activities. As I listened, I reminded myself that the whole paraphernalia of regulation was invented in the past 20 years. Ofwat, Ofgas and Oftel were the beginning of, not deregulation, but the creation of alternative regulation. Mr. Simon Jenkins has been writing forcefully about that sort of development under the previous Administration. Therefore, the hon. Gentleman should scrutinise the events of the past 20 years to find out where some of that regulation has come from. Indeed, many of the regulatory organisations to which he referred were part and parcel of the invention of what was hoped would be the acceptable face of certain privatisations.

Sir Michael Spicer: I pointed out that there was a reason for introducing some of the regulatory regimes at the beginning of the lives of some of the privatised industries, but that as they became—I mentioned electricity and gas—genuinely competitive, the then Government always intended to withdraw that regulation in favour of a competitive environment.

Mr. Rowlands: I saw evidence of the creation, but I never saw much evidence of the withdrawal. The hon. Gentleman referred to the United States experience but the US also has regulatory bodies and organisations to underpin the anti-trust legislation.

The language of Loyal Addresses has changed enormously over generations and, indeed, centuries. However, despite the passage of decades or centuries, uncannily similar messages occasionally come forth. Recently, I came across this Loyal Address to the House, 280 years ago:

"All Europe as well as these Kingdoms are on the point of being delivered by the influence of British arms and counsels . . . So far as Prudence can foretell, unanimity of this Session of Parliament must establish, with the Peace of All Europe, the Glory and Trade of these Kingdoms, on a lasting foundation. I think Every man may see the End of our Labours! All I ask of you is that you will agree to be a great and flourishing people".

Sadly, the language of the present Queen's Speech is not of the quality of that quotation, but I found some amazing echoes. The "influence of British arms" in Europe might be Kosovo. The influence of British counsels is echoed in:

"My Government will take a leading role with our partners to shape the future development of the European Union."

The hope that

"Every man may see the End of our Labours"

must surely be an 18th century equivalent of social inclusion, of our intention to govern for the many and not the few. The exhortation to be

"a great and flourishing people"

must be the equivalent of the Chancellor's call for us all to become budding entrepreneurs through the various incentives that he is offering.

[Mr. Rowlands]

That is where the comparison between 1719 and 1999 should end. The optimism of the 1719 speech was followed within a year or two by the South Sea Bubble. After the boom came the bust. My right hon. Friend the Chancellor has rightly said that the holy grail of Governments is ending the boom and bust that has so bedevilled our economic development. Having said that, my right hon. Friends look to the United States as a model, as did the hon. Member for West Worcestershire. I understand the importance and value of its economic experience, but I hope that we do not buy the extreme claims that are being made for its combination of policies.

I have read recently of the belief in the Goldilocks economy—neither too hot, nor too cold, a new economic paradigm. It is believed that the combination of a federal reserve bank, opening global markets, controlling inflation, creating a flexible labour force and weak trade unions will, with the widespread use of information technology, eliminate the business cycle. Gone will be the old biblical seven years of plenty followed by seven years of famine, if we are to believe the new economists.

The sad thing is that I spent some of the recess reading Mr. Edward Chancellor's interesting book, "Devil Take the Hindmost: A History of Financial Speculation". I do not know whether the Chancellor or other members of the Government have read it, but it is good bedside reading and I recommend it all. We have heard all this before. The book reminds us that the same arguments were being peddled just before the 1929 Wall Street crash. A federal reserve bank had only just been created. It was claimed that the combination of scientific corporate management, declining inflation and the extension of free trade would lead to everlasting expansion of the economy. That was on the eve of the worst crash and most disastrous depression, which affected not only the United States but Europe.

I watch such matters with great interest because I represent a society that understands boom and bust all too well. At the beginning of the century, if the term had been invented, south Wales and my constituency would have been called the tiger economy of the western world. This century, that tiger economy went from boom to bust and from full employment, or apparent full employment, to 65 per cent. of men being out of work. We have painfully rebuilt our economy at least twice since the war. I therefore share entirely my right hon. Friend the Chancellor's wish to eliminate boom and bust, but I worry sometimes that we depend far too much on the belief that we can organise our monetary affairs so as to eliminate them.

From where I sit, the monthly meddling of the Monetary Policy Committee has not done much for our economy. I have one modest suggestion for my right hon. Friends. The monthly MPC meeting should be quarterly, so that we do not have to go through the nonsense of pretending that we can manipulate interest rates, inflation and the rest of it on the basis of such fine tuning. I hope for some evolutionary development of that aspect of our economic policy.

I passionately agree with my right hon. Friends, especially the Chancellor, about the tremendous combined effort to transform the welfare-to-work situation. The policies of the new deal, investment in education and training, the working families tax credit and the national minimum wage put together are utterly relevant to the communities that I represent. I believe that their development is the equivalent at the end of the 20th century of the Beveridge plan for full employment in the 1940s. I am glad that, at a difficult time, when all the global forces are in play, Ministers are talking again about full employment as a desired goal.

I represent communities that know all too well what unemployment and economic inactivity means. I do not wish to rub it in or make partisan political points, but it is a sheer matter of fact that Merthyr Tydfil and Rhymney is now joined by more than a third of the Welsh economy in qualifying under European rules for objective 1 status because we have the lowest rate of economic life within the European Union. We qualify as one of the most deprived regions in the EU, so we are entitled to extra special funding. We have qualified because, in the past 20 years, our GDP per head has fallen from 76 or 77 per cent. of the average for the United Kingdom and Europe—not satisfactory by any means—to 67 per cent. In my community, GDP per capita is less than 70 per cent. that of the United Kingdom and European average. Whatever the merits of the previous Government's economic policies, no Opposition Member can be pleased or proud of achieving such.

The Queen's Speech says:

"More people are in work in Britain today than ever before".

My right hon. Friend the Member for South Shields (Dr. Clark) referred to what he called his pocket of unemployment. In the past 20 years, in communities such as those which I represent, the number of people in employment has fallen by 15 per cent. It has not stayed about the same; it has not grown. It has fallen by 15 per cent. The combination of that decline in the number of people in employment, growing economic inactivity and a large increase in the number of workless households has led to the appalling situation in which we wear the badge of shame of qualifying as one of the poorest regions in Europe.

I do not come to the House with any joy or pleasure to plead. We have to spend a disproportionate amount of time going to the European Commission to have some of the money that we pay to Europe repatriated to regenerate our economy. It has to be done, so we shall have to do it. The policies that my right hon. Friend the Chancellor has introduced on the new deal, the national minimum wage, the working families tax credit and new investment in education and training are the real economic policies that will make a real difference to our communities.

We know why our GDP has fallen. We have had falling earning power. We have a much slower economic activity rate and, as a consequence, we have poor skills. I hope that, in the coming Session, my right hon. Friend the Chancellor and other Ministers will devise, alongside the National Assembly for Wales and local authorities, a means by which matching funding can be made available to support the money that has come to us through objective 1 status. I hope and pray that all parties will remember why we are where we are and that the only purpose of such money is to enhance our GDP. I am worried that we are dancing round objective 1 status like a totem pole. We are going round in circles, hoping that, somehow, everyone will get a little piece of the action. I fear that that money will be dissipated and scattered here, there and everywhere, whereas we should be concentrating our efforts.

Chancellors, Ministers, National Assembly Secretaries and local authorities must pass the simple test, which is to show how such money would enhance the per capita GDP of the communities in this position. We must apply that qualification. I hope that, as a consequence of a concerted effort at the turn of the century, we shall restore our sense of prosperity, so that hon. Members such as me do not have to come to the House to plead for more public expenditure from central Government. In the words of the 1719 Royal Address, I hope that we will again become

"a great and flourishing people".

5.26 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I would not like to be the research assistant of the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands). Researching for the Queen's Speech debate starting from the year 1719 is a daunting prospect.

Mr. Rowlands: I do my own research.

Mr. Kirkwood: The hon. Gentleman's contribution will repay careful study. I acknowledge that his constituency has had enormous difficulties. His experience is valuable, and the House is grateful to him for his passionate speech. We shall read it with interest in days to come.

Merthyr is a particularly bad area for social security claims. I think that about 19 per cent. of his constituents are on incapacity benefit.

Mr. Rowlands: Nineteen per cent?

Mr. Kirkwood: It is 17 or 19 per cent.—I cannot remember. It is a very high figure. I hope, therefore, that the hon. Gentleman shares my concern at a press report in *The Guardian* on Monday, which suggested that people will soon have to prove that they are unfit for work after only six weeks of sickness leave, not six months. I am sure that he will watch developments as carefully, as I will, so as to prevent the Government from introducing further draconian measures for problem areas where people have genuine difficulties. I hope that I can enlist his support in monitoring that situation carefully.

We must be careful about incapacity benefit. There are difficulties with it, most of which this Government have inherited. However, some of the welfare reforms introduced in the previous Session were not the right way to go.

I ask the hon. Member for Merthyr Tydfil and Rhymney to support me on another matter. I am a little anxious about the degree of emphasis being placed on young, innovative, enterprising, economic, e-commerce. That is all right, but he will know the problems better than I do. I represent a traditional manufacturing textile area, where businesses have to fight hard to export their goods against a background of high exchange rates and other difficult competitive circumstances.

Governments cannot do everything at once, and I agree with most of the measures that the present Government have taken, such as the new deal. However, I wonder whether enough has been done to help traditional manufacturing industries and mining and shipbuilding communities to diversify. Our regional experiences will be different. I want the new Labour Government to encourage entrepreneurial e-commerce opportunities, but they should not forget that people in areas such as south-east Scotland still rely heavily on traditional industries that must be modernised if they are to succeed in the future. Although the Government are right to place emphasis on enterprise, I hope that they will not forget that point in the coming 12 months.

Fairness is the other main rubric in the Queen's Speech. Again. I hope to persuade the hon. Member for Merthyr Tydfil and Rhymney of a view that the Government should consider. It is fine to contemplate what the Government have done: I acknowledge that much has been done on child poverty and child benefit. However, I should like to remind the House that the national insurance fund balance is now £12 billion. As we learned from the Chancellor's pre-Budget statement, there is a Department of Social Security underspend of £7 billion projected for the next three years.

Fairness is fine, but against that background and the economic progress achieved by the Government, which I freely acknowledge, it is difficult to argue that uprating social security benefits by 1.1 per cent. is fair. It will be difficult to tell pensioners in the constituency of the hon. Member for Merthyr Tydfil and Rhymney whose pensions are to rise by 75p next Easter that that is fair with a capital "F".

That is not to detract from the Government's achievements, but they have an opportunity to do far more. My suspicion is that we are all being asked to mark time for 12 months until not next year's Budget, but the one after—the one that, coincidentally, will be announced before the next general election—for things to change. Time will tell.

I intend to discuss three aspects of the Queen's Speech. First, I shall run through a checklist of my concerns about social security matters other than incapacity benefit. I am worried that welfare reform, which I agree is clearly needed, is being discussed entirely in terms of monetary cuts or monetary additions. The Government have done some good things, such as introducing the severely disabled persons allowance, and some bad things, such as the changes to incapacity benefit; but I am anxious to learn what future structural changes to the social security system the Government think are needed.

Are we watching the death of the national insurance contributory principle by stealth? Are the Government committed to the concept of contributory benefits? Much of what emerges from the Treasury is good—for example, the working families tax credit; but it is difficult to square that with the national insurance contributory principle. I fear that, without any discussion taking place, the House of Commons is witnessing a seismic shift in the way we deliver benefits. Perhaps I am wrong, but I believe that the House should be concerned about structure of the benefits system in five to 10 years' time. The Queen's Speech tells us nothing about that, which causes me concern.

I am also worried about the emotive, *Daily Mail* language being used by No. 10 in respect of the Child Support Agency. The CSA is submerged in difficulties and has been ever since it was set up in 1993, but nothing is made easier by the Prime Minister and other Ministers forcing the agency to adopt the role of moral policeman and making criminals of fathers who do not fill in forms. The *Daily Mail*-style headlines include, "Blair's welfare reforms to hit absent fathers", and "Absent fathers must pay up in Blair's war on the shirkers".

[Mr. Kirkwood]

Even though many of the changes to the CSA, such as making the forms simpler, are sensible and designed to make the rules easier to enforce, it will be very difficult to reform the agency. I have great fears about the transition process—for example, that it will take too long. Some of the benefits of the new system, such as the £10 child maintenance disregard, which will become available to new cases but not to old cases until they have been moved to the new system, will cause enormous problems of which hon. Members will learn in their surgeries.

The last thing the CSA needs is to be made into a moral bogeyman, because that will make it even more difficult for it to become a user-friendly, sensible organisation that everyone accepts. Ministers must take care not to invest the agency with a moral purpose, when it should simply be an accepted fact of everyday life that people pay to support their children.

Mr. Bermingham: I agree with the hon. Gentleman's remarks about the Child Support Agency. Does he agree that by stigmatising the few—the "won't payers"—we stigmatise the many, who willingly pay, and that that is counterproductive?

Mr. Kirkwood: I agree, and I hope Ministers will reconsider.

To be fair, the Government allowed the Select Committee on Social Security to carry out a form of pre-legislative scrutiny. We would have preferred proper pre-legislative scrutiny, but it is difficult to do that without a draft Bill, and we have not seen one yet. Nevertheless, the Government tried to give us as much access as possible and Baroness Hollis gave us a great deal of her time. Nevertheless, I think that we should be careful. There should be no question of stigma; this should be a straightforward, mutually agreed process.

I am also worried about the stigmatising of those who do not turn up to carry out community service orders through the removal of benefit. I am as aware as any other Member that it is enormously difficult to trace payments in the benefits system at present, simply from a practical point of view. Huge logistical difficulties are involved in making the system work. I know that pilot schemes are being mounted, and I am sure that Ministers will study the results carefully, but I consider the proposals morally objectionable.

I do not think it right to use the benefits system to inflict additional penalties on people who should be dealt with by a criminal justice system that, given proper resources, is adequate to deal with them. If we start using the benefits system to penalise people for this, that and the other, it will be the thin end of the wedge. Already, people aged between 18 and 25 who do not turn up for jobs after interviews may find that their benefit is docked. If that begins to apply across the board—if the benefit of those who refuse to apply for or take jobs while receiving jobseeker's allowance is immediately docked—we shall be on a slippery slope, which may have serious and untoward consequences.

I am disappointed that the Queen's Speech makes no reference to long-term care. Sir Stewart Sutherland produced what I considered to be an excellent piece of academic work, which provided some pointers for reform. Many people out there are still having to sell their houses to pay for care, and it is high time that the Government told us how they will respond to their needs. The Government could at least have announced that the thresholds would be reviewed, enabling people to retain a much more realistic amount of capital and income. We consider that to be a grave omission, and we shall expect early answers from Health Ministers about what the Government have in mind.

Additional resources are certainly needed for the improvement of the take-up of benefits. If the Government are to continue to rely so heavily on pensioner income guarantees, they must understand that not every retired person applies for what is, in effect, a means-tested benefit. Again, I know that pilot schemes are taking place in some areas with the aim of establishing why people who are past retirement age are not claiming benefits, but the need for extra resources is urgent. If we were able to spend the amount that we spent on promoting working families tax credit, surely it must be possible to organise nationwide television advertising so that people understand that means-tested benefits are available to those beyond retirement age.

I am also worried about the capital thresholds for access to other means-tested benefits. The Government keep saying that they will do something about it in the current Parliament, but we are half way through the current Parliament. Again, I suspect that the Government will wait until the election approaches before suddenly pulling a rabbit out of a hat. Meanwhile, people are suffering. The thresholds have not been indexed for many years, and should be dealt with now as a matter of urgency.

The Queen's Speech contains nothing about housing benefit reform. Housing benefit represents the biggest remaining hurdle preventing people from moving from welfare into work. We all agree about that, and I congratulate the Government on the new deal and the way in which it is working—although I think that there are problems, especially in areas where the employment market has collapsed completely. I am thinking of, for instance, Merthyr, Liverpool and Glasgow. In inner-city centres there are no jobs to be had, and a supply-side solution—better training enabling people to apply for jobs—is useless to those who cannot move because they are locked into a housing benefit system that will not allow them to do so. Housing benefit is an important element in finishing the job begun by the new deal.

Mr. Rowlands: In fact, despite employment problems, the new deal is working in our area. It is making a major contribution not only to the employment, but to the employability of our younger people.

Mr. Kirkwood: I am pleased to hear that. The experience is different in different areas, but, if the hon. Gentleman says that in good faith, that is good news and I welcome it. The scheme is not working too badly in my area, but in a rural area that is hugely spread out, with 25 miles from a place of residence to a place of work, there are different problems. However, if it is working in Merthyr, that is good news. The House will be pleased to hear that.

Looking at the experience with welfare in Merthyr, Liverpool and Glasgow, I am beginning to come to the conclusion that it is impossible for any Government to

have a unified United Kingdom benefits system that responds adequately to the different circumstances that apply. It is not just a north-south divide; it is intra-regional. There are pockets of wealth within some less well-off areas, and vice versa. We are getting to the stage where we can analyse statistical factors, circumstances and criteria within postcode areas in a sophisticated manner. Perhaps it is time that we did so within the new unemployment zones; I welcome the work that is being done there, too. Perhaps it is necessary to think about legislating for local needs in two different ways, depending on circumstances in the localised circumstances of the job market. That is something that Governments will need to look at.

I am getting nervous about the state second pension and stakeholder pensions becoming increasingly technically incomprehensible to the ordinary person in the street. I have been studying these proposals. The Government are trying to simplify them as much as they can, but we are going to end up with a system that only half a dozen people in the country will thoroughly comprehend and understand.

I was privileged to be at a focus group research session last night that was staged by Pearl Assurance. I was behind a glass screen. The focus group of young men were all in the stakeholder pension target income group.

Hon. Members think that people who earn £9,000 a year are people like themselves who merely earn less. They are not at all. Their attitudes and approaches to life are entirely different. They have credit card debts coming out of their ears. They have store cards with debts of up to £7,000. They live from day to day. They apply for bank loans for house improvements and to buy cars and boats.

When one says to those people, "Are you making any provision for the future?" they reply, "No, we don't need to do that. We will all die before we reach 65", or the like. We need to understand that, if we are going to make stakeholder and state second pensions work, we will need to make them much more accessible and simpler.

I am coming to think that our retirement age may be a Victorian idea. Perhaps we should start thinking about a lifetime of work, where people have bits of leisure towards the end of it and do not have the huge life change as they approach 65, 70 or whatever. People should expect to live and to work during periods of change and to take part in lifelong learning—again, it plays in with the Government's agenda. There should be an integrated saving system that allows people to deal with such changes throughout their lives, using ISAs and all the rest of it. They should not face that huge psychological brick wall when they retire aged 65 or 70. That would allow people to work a bit longer.

Some of the people to whom I talked last night said that the state pension would be worth only 6 per cent. of average male earnings by the time they retired and that they would have to work, even if only cleaning windows or delivering papers, until they were 70. They said that that was the only way in which they were going to succeed. We will have to understand how people in that income sector think if we are going to make fundamentally important pension reforms work.

Representing a rural area, I am deeply worried about the Post Office Bill and its effect on rural post offices. I do not believe that the Government, although they say that they will put a lot of investment into automation before 2003, will make anything like enough substitute income available when benefit transaction payments are removed between 2003 and 2005. A total of 19 million people use post offices for benefit transactions. They produce income to the post offices—the postmasters and postmistresses who run those businesses.

I do not care how many automated teller machines are standing in the corner of the post office in Ettrick Bridge: it is impossible to foresee how, between now and 2003, the income that my postmistress gets in Ettrick Bridge will be able to survive that change. By 2005, she will get next to no income from the Department of Social Security; it will all be done by automated credit transfer. The Government must be careful about that. I notice that the Prime Minister has set up a performance and innovative unit review of the social value of post offices to the communities they serve. It is essential that that report is thorough and that proper attention is paid to the non-economic benefits that rural post offices provide to areas such as mine. If not, we will destroy a valuable network which, once destroyed, will never be brought back into being.

The transport provisions are fine as far as they go, but in a rural area it is impossible to conceive of ever getting an integrated bus service serving every village community. It is not feasible. I note with interest and applaud the fact that the Chancellor has said that he will look at the fuel escalator year on year. I hope that when he looks at it for the next Budget, at the front of his mind will be the rural communities throughout the length and breadth of the United Kingdom. People in such communities face enormous difficulties as they try to get to work and get around by car in areas where there will never be an alternative or substitute form of public transport, as there is in cities. If the Government do not bear that in mind, they will be unfairly penalising huge swathes of the landward area of the United Kingdom.

I wish the Queen's Speech well but it is difficult to accept that it is about fairness and enterprise when we look at the beneficial financial circumstances facing the Government and consider some of the difficulties facing our citizens throughout the country in constituencies such as mine and Merthyr. If the Government do not look at what is happening on the ground, they will fail with the Queen's Speech and that would be a lost opportunity and a shame.

5.47 pm

Mr. Barry Jones (Alyn and Deeside): I am glad to follow the thoughtful and relevant speech of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). He presented some realistic points which had terrifying implications. I am glad to be able to support the Gracious Speech. I am glad that it seeks to provide more opportunities for people to realise their potential, and that it seeks to build a fairer society and drive against social exclusion. Those are the issues that I wish to mention.

I want to make a brief constituency point. My airbus workers are seeking £530 million repayable investment launch aid for the giant jumbo jet project, the A3XX. If given the go ahead, that project would mean 1,400, or perhaps as many as 1,700, new jobs with high wages and high skills, for my constituency and north-east Wales. It is a truly European project. It is possible that during this Parliament, Her Majesty's Government may see various

[Mr. Barry Jones]

reasons for not espousing the euro, but they could display their European commitment by sanctioning that £530 million investment. That project is the greatest European project since the channel tunnel.

Mr. Pike: Does my right hon. Friend recognise that his case is supported in many parts of the country? Aerospace industries supply components not only to British Aerospace, but to other parts of Europe which subcontract work to constituencies such as mine in Burnley.

Mr. Jones: I am glad of that intervention. My hon. Friend speaks with great expertise on this matter.

As I have said, it is the greatest European project since the channel tunnel and to turn it down would mean turning the United Kingdom's back on the Europe of the 21st century. My plane makers at Broughton are so skilful and resourceful that they could take mighty Boeing to the cleaners in any month of the year. We, at Broughton, are at Her Majesty's Government's disposal in this project.

In 1998, the aviation industry employed 180,000 people in the United Kingdom, including 6,000 in Wales, and 4,000 in my constituency. In that year, the industry—our last great manufacturing industry; an industry of skills and achievement—made £6.5 billion of exports.

I am beginning to think that some men and women at the heart of the Treasury are seeking, for the first time in its history, to use the levers of economic power to enhance the lives of the poor, the dispossessed and the unemployed. If the Treasury's influence in the Whitehall and Westminster complex has consequently grown, at the expense of what might have become satellite Departments, I shall not complain.

I welcome the Gracious Speech—just as I welcomed the historic minimum wage, which has ensured fair play for tens of thousands of women who previously were on wretchedly low pay, and the working families tax credit. Some people earning £200 a week have found themselves with incredibly increased weekly and monthly wages, and I welcome that.

I welcome the extension of the new deal to the over-50s and lone parents, just as I welcome free television licences for the over-75s, free eye tests, an annual £100 fuel allowance, the new children's fund, improved child benefit rates, plans to modernise thousands of our schools, and free museum and gallery entrance for all our children across the length and breadth of Britain. If that is redistribution by stealth, I ask Ministers, please, for more.

There is much to be done for the millions of our fellow citizens who fell behind in the Thatcher years. Only today, in a John Smith Institute lecture at Downing street, Professor Layard exposed the consequences of failing to invest sufficiently in the United Kingdom's post-war school service. At last, the underclass, the dispossessed, the poor—or whatever term is used now to describe the millions of our fellow citizens who are getting nowhere, and whose lives are a desperate scramble to exist and subsist—are on the agenda. They are on the agenda of arguably the most powerful Prime Minister of modern times.

The Government are not ideologically driven, but how could they be? In the west, since the disintegration of the Soviet Union, no political party of the left has trusted itself to promulgate certainties in manifestos. I am not complacent, but ask the Government for even more action. I accede to the Downing street objectives of social justice and economic growth. Although Mr. Kinnock might have listed his objectives as social justice and economic efficiency, I simply want more social justice—and I want it urgently, for the many.

Labour's shrewd management has steered the economy to better health. In these improved times, we may achieve a better deal for the many who are not doing very well.

It is my sad conclusion that, in the tumultuous years since the 1970 general election, when I was first elected to the House, there has emerged in Britain an underclass that is millions strong. Their lives are blighted by poverty, disability, loneliness, hopelessness, illness, anger and frustration, whereas all around them is prosperity, change and fulfilment, the like of which Britain has never seen before.

I conclude that our society is very seriously divided, and that there is a chasm within British society. In the south-eastern valleys of my own country, Wales, there is worrying deprivation, which was described with expertise by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands). I want that cancer within British society to be tackled and eliminated, and am glad that the Gracious Speech states that doing so is part of the Government's agenda. Helpful policies have already been implemented, and more such policies are being espoused as the drive for fairness continues.

The Government's election occurred in the nick of time, after an era in which even the concept of community was denounced. In his able speech today, my hon. Friend the Member for Bury, South (Mr. Lewis) made a tangential reference to that earlier era.

The Gracious Speech—like the preceding ones under the current Prime Minister—proposes sound and practical measures. The clarion call that I have heard from leading Ministers—"for the many, not the few"—is not a claptrap soundbite, but a statement of noble objectives. I should like to think that the Administration are on course to restore a sense of fairness to the governance of Britain.

5.56 pm

Rev. Ian Paisley (North Antrim): The Queen's Speech contained two sentences concerning the constituents of Northern Ireland:

> "In Northern Ireland, my Government will continue to work closely with the political parties and the Irish Government to secure the full implementation of the Good Friday Agreement. A Bill will be presented to implement proposals from the Independent Commission on Policing, following the completion of consultation."

Today, I was amazed that both Front-Bench leaders and the leader of the Liberal Democrats saw fit to say that we were making great progress. The Liberal Democrat leader said that the pace had quickened and both Front-Bench leaders said that things were going well. It was the result of a statement—which, for the first time, was given credence by the Government—from the IRA itself.

We have heard it preached in the House—not by Unionist Members, although they agreed with it, but by spokesmen for the Government, the Opposition and the Liberal Democrats—that Sinn Fein-IRA were inextricably bound together and that there was no difference between them. Now, it seems that the three main parties in the House have swallowed the great falsehood, recognising that the IRA is not Sinn Fein and Sinn Fein is not the IRA.

What did the IRA say? First, it issued a statement signed by a person who does not exist—P. O'Neill. Who is P. O'Neill? P. O'Neill's signature has appeared in reports of all the worst atrocities ever committed in Ireland by the so-called IRA.

The hon. Member for Bury, South (Mr. Lewis) spoke very eloquently today about children. I should like to speak eloquently about children, but let us remember that the IRA not only murdered Protestant children, but wiped out children from the Roman Catholic population. Above the signature of P. O'Neill have appeared attempts to justify every atrocity ever committed by IRA insurgents in Northern Ireland. The most gruesome tortures were justified under that name, as were the worst attacks on society and families. Some of those who have spoken in this debate believe that we are making progress because P. O'Neill has spoken.

What did P. O'Neill say? Did he say, as we were told that he would, that the war was over? Did he tell us that the beatings would cease and had to be condemned? Did he tell us that the IRA had come to the conclusion that now was the time to make peace? His statement was very short. He said:

"We acknowledge the leadership given by Sinn Fein throughout this process."

I do not need to remind the House of some of the statements made by Sinn Fein during the process, particularly Gerry Adams announcement at City Hall that the IRA had not gone away. The statement continues:

"The IRA is willing to further enhance the peace process and consequently, following the establishment of the Institutions agreed on Good Friday last year, the IRA leadership will appoint a representative to enter into discussions with General John de Chastelain and the IICD."

We are told that the people of Northern Ireland should be blowing trumpets and rejoicing about that statement, but there is no hope in it. The IRA says that it backs what Sinn Fein has said. Can we find anything in the Sinn Fein statement? The only new element of it is a condemnation—although not a very vigorous one—of punishment beatings. The IRA has said that it will not do anything until—until when? Until the Executive is formed? Oh no. It will not do anything until the institutions are established. There are more institutions than the Executive. There are all the cross-border bodies that cannot come into existence under the terms of the agreement until an Executive is set in place and members are appointed to it. If that happens, will the IRA appoint a representative to enter into negotiations? Oh no.

Rev. Martin Smyth (Belfast, South): We have had a statement this week from General de Chastelain on how things might move forward. Is it not a fact that Martin McGuinness was the representative of Sinn Fein-IRA to the decommissioning body, just as Billy Hutchinson was the representative of the Progressive Unionist party and the Ulster Volunteer Force? What have they been doing that requires their replacement—or at least one of them?

Rev. Ian Paisley: They did nothing. When I met General de Chastelain, I asked him who he saw when he looked across the table at Martin McGuinness. He said that he saw a democratically elected Member of Parliament. I asked whether he talked to him as a democratically elected Member of Parliament or as a man with influence in the IRA on decommissioning. He said that he could not talk to him as the representative of the IRA. The talk was for nothing.

The IRA says in its statement that it is

"committed unequivocally to the search for freedom"—

so it recognises that there is no freedom—

"justice"—

so it recognises that there is no justice—

"and peace"—

so it also recognises that there is no peace.

When I tried to intervene on the Leader of the Opposition, I heard some hon. Members shouting that a representative from Northern Ireland should sit down. If these things were happening in their constituencies, they would be the first on their feet to raise them, because they are of the utmost importance.

Where do we go from here? The leader of the Ulster Unionist party, who is not present in the House at the moment, intimated in his statement that he would have to be satisfied as to the movements towards decommissioning. The people of Northern Ireland and his party members and public representatives thought that he still believed that if no guns were handed in or no progress was made on the issue, there could be no move towards an Executive. That has completely changed. No wonder there is a call in *The Daily Telegraph* today for the leader of the Ulster Unionist party to tell us what his policy now is. He plans to ask his party at a special council meeting to overturn its policy of guns before government—but for Sinn Fein-IRA to give up guns before government is a democratic requirement; it is not something to be negotiated. Every democrat should agree that there is no place for those who hold arms. We must remember that these people tell us that they are now committed to the peace process. If they are, why do they want to keep the weapons of war?

The problem is the same on both sides of the fence. The terrorists on both sides are helping one another. When the loyalists say that they will not give up their arms, it is grist to the mill for the IRA. When the IRA says that it is not giving up its arms, it is grist to the mill for the loyalists. We are told that they must come to a mutual arrangement. Are criminals going to decide mutually to give up their war against the police of this country? Not at all. Some may try to tell the House that the criminals of this country should keep their weapons, because after all we cannot take them from them unless they all agree.

As I said in a meeting with the Prime Minister some time ago, he took guns from hundreds of thousands of people in the United Kingdom who never did any harm with them—guns that were used for sporting purposes or target shooting and guns on farms that were used for killing vermin. The Prime Minister said that they all had to be handed in and that there would be imprisonment or heavy fines for those who failed to comply, but criminals in Northern Ireland do not need to hand in their weapons unless they can reach a mutual agreement about it.

Mr. Robathan: I am sure that the hon. Gentleman agrees that the intentions behind what Senator Mitchell has been doing are very good. Will he cast his mind back

[Mr. Robathan]

four years to when the senator produced the so-called Mitchell principles? He said that participants in all-party negotiations should affirm their commitment

"to total disarmament . . . to agree that such disarmament must be verifiable . . . to renounce violence for good".

Does the hon. Gentleman agree that, four years later, when there have been all-party negotiations, those principles should be enforced right down the line, as they should have been enforced four years ago?

Rev. Ian Paisley: I did not agree with the appointment of Senator Mitchell. He was forced on the parties of Northern Ireland without any discussion or vote. I and my party—and other parties—stated strongly that that was not the right way to enter into negotiations; however, he came along and set down those principles.

Who is telling the people of Northern Ireland that if we do not go a certain way they will return to violence? The very people who signed up to the Mitchell principles and have been discussing a so-called peace process for years. The IRA warned us that we would go back to the darkest days and the loyalists tell us that if we do not do what they say, we will go back to battles on the streets, yet those people signed up and are sitting at the table. I stated that I agreed to the principles but that agreeing to them becomes a farce when there is no sanction to make people keep their word. That is how the situation has deteriorated. There is a very sad state of affairs in Northern Ireland now.

It alarms me that the large section of the Unionist community—going across the divide and including both Protestants and Roman Catholics—that is opposed to the whole matter is being ignored. I speak with the authority of a mandate both from North Antrim and from Northern Ireland as a whole when I tell the House that it had better not proceed along this road and think that there is peace at the end of it. We will not get peace in this way.

There are matters that must be dealt with. It is all very well for the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) to smile. I wonder how many funerals he attended and what he knows of the circumstances of the 302 police officers who were massacred. It is very easy to criticise people in Northern Ireland. Some Northern Ireland politicians have been told by the authorities that they are under severe threat even tonight.

The House must consider to what it is lending its weight. The Prime Minister told us before the referendum that the prisoners would not get out until there was a repudiation of violence. We all know that that promise was not kept. Then there was to be no Executive until violence was given up and guns were on the table; but there are no guns on the table.

The Patten report says that there is to be a complete change in policing in Northern Ireland. I advise every hon. Member to have a look at the report. It makes it easy for those who have been engaged in violence to set up security firms and sell their services to various councils. Councils could buy in security services run by terrorists. Mr. Patten referred to the law on convicted terrorists, but no one has been prosecuted for the vast majority of terrorist crimes; probably about 75 per cent. of all crimes committed by terrorist organisations have not resulted in convictions.

These are matters of grave concern. I trust that the House will consider the Patten report carefully. Police officers' families—remember that 8,000 officers were severely injured, as well as the 302 who were killed—and the victims of violence are gravely concerned. The House should consider carefully what is really happening in Northern Ireland and why such a large section of the community is saying that this is not what we want. The people who voted yes at the referendum voted for what the Prime Minister promised them, but they did not get it. Unless those promises are honoured, we cannot move forward to peace.

I know that some do not want to hear this, but I must speak for the people who sent me here. I would be failing in my duty if I did not. It would be nice to be hail-fellow-well-met. I lead the third largest party in Northern Ireland and I could certainly go with the tide and say, yes, everything is well; but when I see what is happening in my country and the despair that people feel about it, I realise that the time has come to take a stand on one issue: there is no place in any Government connected with the United Kingdom for armed terrorists, no matter who they are, who keep their guns. They must hand in the guns and eschew violence by the public act of giving up the power to wage violence against the community.

6.16 pm

Mr. Peter L. Pike (Burnley): I feel that I must make a few comments in response to the hon. Member for North Antrim (Rev. Ian Paisley). In my 16 and a half years in the House, I have never spoken in a debate on Northern Ireland. I have not been unconcerned about the problem or underestimated the difficulties, but I have never pretended to know the solution. I am positive, though, that 60 days from the end of the century the majority of people in Northern Ireland, whatever their views or their past, want this opportunity of peace to be seized, not only for themselves but for their children.

The clear message that must go from the people of Northern Ireland, and indeed from the House, to all those with positions of power and responsibility, is that we would be failing the people and the children of Northern Ireland if we did not seize the chance for peace. The other clear message for all those with arms—I give credit to the hon. Member for North Antrim for having acknowledged that both sides still have arms—is that there is no place for those arms and that people want them to be got rid of so that there can be peace in the new year, the new century and the new millennium. We must seize the opportunity to proceed to the future and not go back to the past.

It is incredible that we are now debating the third Queen's Speech of this Government. We are now more than half-way through the Labour Government's period of office before they get re-elected at the next general election. We are already nearer to that general election than to the previous one.

The Labour Government have done a tremendous amount in changing the direction in which the country has been headed since their election on 1 May 1997. Enterprise and fairness are crucial, and I support those principles 100 per cent. For the first time ever, the Labour party will be elected in two successive elections with an overwhelming majority. After the next election, it will be able to build on the base that we have already created in the first two and a half years of government.

The phrase

"the development of a safe transport system"

appears early in the Queen's Speech. It also refers to the transport Bill and to the Government's proposals for the railways.

The Queen's Speech also mentioned plans for the future of National Air Traffic Services. That is one issue on which I agree with the right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy). I fire a warning shot: the Government need to reconsider their proposals for air traffic control. I do not understand the financial arguments for the proposals, and the overwhelming issue is safety. We have talked much about referendums in the debate, but, if we held a referendum on the Government's proposals for air traffic control, the public would overwhelmingly say no. I do not suggest that the Government will sacrifice safety, but that is the crucial issue. The service has served us well, and I have grave doubts about the proposal.

The speech also referred to the Government's central economic objectives and to employment and economic growth. Economic growth is crucial. One cannot distribute wealth if one does not create it. Therefore, those measures are an important part of the Government's programme.

During the recent recess, I met members of the North West Society of Chartered Accountants and discussed their view of the economic position in my constituency. Accountants are a good group to meet because they see the economic position of large and small industries and of all sectors of the economy. Therefore, they are able to provide an accurate impression of how the economy is performing and what is exercising people's minds.

My constituency has a strong industrial base, with more than 50 per cent. of the workers still in manufacturing employment. Therefore, one of the concerns raised at the meeting was the climate change levy. We heard what my right hon. Friend the Chancellor of the Exchequer said about that last week and the Queen's Speech referred to the global climate. The revision of the levy is important. In a letter to me, the National Council of Building Material Producers refers to the changes that were made last week and says:

"Not only have the revised proposals recognised that the proposed level of the levy would have been harmful to industry's competitiveness, but it also now appreciates the greater levels of saving of emissions that industry is capable of through sensibly negotiated agreements."

The changes have recognised industry's problems, but they have not lost sight of the environmental objective. That shows that the Government are prepared to listen and to respond positively to representations.

Interests rates are also of concern. It is right that the Bank of England should control them even though none of us is happy that there have been two increases recently. However, it was wrong that the Government of the day could manoeuvre them for purely political reasons and did not consider the long-term economic interests of the nation to be the principal factor.

The value of the pound concerns many people. I want Britain to enter the euro as speedily as possible, but we could not go in with the pound at its current level against the euro.

The Government inherited the fuel escalator and the Chancellor has told us how he proposes to deal with that in future. He will consider its level in every Budget. We have severed the link that we inherited from the previous Government.

In a constituency such as mine, the national minimum wage and the working families tax credit are crucial. The Government have delivered much that is important to ordinary people in the past 12 months. I know that they will continue to do that in the years ahead.

I am Chairman of the Deregulation Committee. I have served on the Committee since it was formed, so I am its longest-serving member. Therefore, I welcome the fact that the Government consulted on their proposals for deregulation earlier in the year and that they will introduce a Bill to give greater powers to the Deregulation Committee. When we were in opposition, we opposed the Deregulation and Contracting Out Act 1994 because we were afraid that a short-circuit, quick-track method of getting legislation through could lead to the abuse of power. The Act is now hardly used and that is because most Departments know that their proposals for deregulation get better and closer scrutiny in the Deregulation Committee—it is able to focus on the issues—than they would if they were tagged on as a clause in a much bigger Bill. The Deregulation Committee's work is restricted at present, but I hope that the new Bill will improve the position by giving the Committee wider powers and by removing some restrictions on its work.

I disagree with the hon. Member for West Worcestershire (Sir M. Spicer) about the regulation of utilities. Another Bill will lead to the modernisation of regulation and that is crucial. I have long since changed my view about the need for the public ownership of industry, but regulation of the privatised utilities is essential. Some of the regulatory methods established by the previous Government at the time of privatisation have failed consumers. Consumers must be No.1 and their interests should be placed far above the interests of shareholders. I very much hope that we will consider the consumer aspects of regulation.

The Queen's Speech says that education remains the Government's No. 1 priority. I wish that some whiz kid or spin doctor had not said on the Labour party's pledge card that we would reduce all primary school classes for five, six or seven-year-olds to 30 children. It would have been much better to have said, "We will improve pupil-teacher ratios." I say that because a child cannot get into a school in my constituency because, if he did, it would create a class with 31 children. The headmaster told me, "We cannot break your pledge" and that creates a difficulty.

The Queen's Speech also mentioned the Learning and Skills Council. I look forward to seeing how that proposal will develop. I think that Lancashire should have had two councils rather than one, but that argument was lost. Therefore, we must work with the current proposals. In Burnley, the number of people going on to further and higher education is extremely low, and I hope that we are able to improve those figures.

The Bill to give greater access to the countryside and to protect wildlife is long overdue and I shall fully support it. We gave a commitment to access to the countryside and I want that commitment to be fulfilled. The Bill on hunting should have been included with those measures, because we have made a pledge that must be delivered. However, I am not convinced that dealing with the issue

[Mr. Peter L. Pike]

in a private Member's Bill is the right way forward. I would like the pledge to be honoured and fulfilled as speedily as possible.

Mr. Michael Fabricant (Lichfield): Does the hon. Gentleman share my suspicion that Labour party managers decided that the Bill on hunting should not be a Government Bill for fear that, even after the reforms, yet another Government Bill would be rejected by the other place?

Mr. Pike: The hon. Gentleman may be right. I do not know, because I have never been taken into the confidence of the Government's business managers. We should have pressed forward with the Bill last year. If the other House rejected it, we should have invoked the Parliament Acts and put it through. However, I understand the time difficulties associated with that, which might have prevented other crucial legislation from going through. Several factors must be balanced. When we are in opposition, it is easy to oppose and criticise, but it is somewhat different when we have responsibilities in government, as all Labour Members who served in the House before the general election have found since we came over to the Government Benches.

The electoral commission and changes to electoral law are extremely important. I look forward to the exact proposals. We have had a major problem in part of my constituency, where well over 20 per cent. of the electorate have been claiming proxy votes. Proxy votes are a right, and it would be wrong to do away with such votes because people who work away from home for a long time, such as merchant seamen, need a proxy vote. However, that right should not be abused, and I hope that electoral law will stop some of the abuses and make it easier for people to vote. We should not believe that the system that we have used for years is necessarily the best.

We need to consider how to proceed with the House of Lords reform and move away from the present interim procedure. I await with great interest the outcome of the royal commission. However, although the other place has made certain reforms, we need also to consider their procedures and ask whether they are the best. That is not a matter for the Government or for this House, but there needs to be a review of the procedures in the Lords, just as the Modernisation Committee, on which I serve, is trying to consider the procedures in this House and make progress.

A Bill will be introduced to reform local government to make it more innovative and accountable. I was on the Joint Committee of the two Houses that considered the draft Bill in the previous Session. I await with interest the final results of that process. I believe that people are not taking an interest in local government mainly because its powers were totally eroded during the Thatcher years, when there was a clampdown on local government finances and on its powers to deliver results rather than just scratch the surface of its responsibilities.

Mr. David Taylor (North-West Leicestershire): Perhaps my hon. Friend will go on to say that in addition to losing its powers and being treated with unremitting hostility by the Thatcher Government, local government was denied adequate resources to provide to a high enough standard the services that remained its responsibility.

Mr. Pike: I agree with my hon. Friend. I have always said that a Government, no matter what the party, have the right, at a national level, to say what amount they will give local authorities to perform their functions. Local authorities should have the means to raise their own money to supplement that amount and they should be judged on the merit of what they do for the people who elect them, who can then show them what they think of them by re-electing them or throwing them out.

I am worried about the question of an elected mayor and about opinion polls in which people are asked whether they want an elected mayor. People are thinking not of the type of mayor proposed in the legislation but of a mayor with a chain who goes to people's diamond wedding celebrations and visits schools. If people are asked whether they want to elect such a mayor, they will say yes, but if they know that they will be electing a person who will have real power on the council and be the leader of it, they may take a different view. I do not want to sit on the Committee that will consider that Bill, but I shall consider it with great interest when it comes before the House.

My right hon. Friend the Member for South Shields (Dr. Clark) is absolutely right about freedom of information. There has been some movement on that issue since the draft Bill was published. I am sure that we will have to squeeze the Home Secretary, whose constituency of Blackburn is very near mine, a bit more, but I am hopeful that he will respond in a positive manner and make the legislation acceptable.

The Government referred to the enlargement of the European Union. I want to argue the case of some of those countries in the second wave that are now under consideration. They include Romania and all those countries that neighbour the former Yugoslavia and Kosovo. They gave strong support in that dispute, at great economic cost to themselves. Their democracies and economies are fragile and they need to be given every possible support.

There will be a Bill to assist viable companies to get over short-term difficulties and to improve the procedure for disqualifying unfit company directors. I hope that that legislation yields results. There have been two companies with problems in my constituency. Bellings, which went bankrupt in 1992, had been deliberately defrauded by the then directors. Seven years later, pensioners are still not receiving their due and the problems have not been resolved. That is absolutely appalling.

Mr. Bermingham: Does my hon. Friend agree that the Chancellor of the Exchequer might be persuaded to consider the taxation position of certain companies, particularly with regard to VAT and corporation tax? It is often a petition by the authorities that leads to the bankruptcy of firms that could, under measures such as the chapter 8 provisions in America, have been saved.

Mr. Pike: My hon. Friend makes a valid point and I fully support that view. If a company is going through genuinely short-term problems of that nature and the accounts show that the company could be made viable,

it is much more sensible to assist the company and allow it to solve those problems than to pressure it and make it go out of business.

In the recent case of Ashworth Diecasting, the director, Mr. Peter Wrinch, took complete ownership of the company and then made it go bankrupt. He was not prepared to sell it to anyone else. I hope that the legislation will prevent Mr. Wrinch from being a director in any other company and will prevent others from doing the same thing.

This is a very positive Queen's Speech. It contains a heavy programme of legislation, and I hope that it is fully delivered. As I said earlier, I am absolutely confident that it lays another stone in the foundation for Labour Governments being elected for many years to come.

6.37 pm

Mr. David Maclean (Penrith and The Border): I am tempted to say that I would be pleased if another stone were laid on the chances of another Labour Government being elected, but I do not think that that is what the hon. Member for Burnley (Mr. Pike) meant.

It is always a pleasure to follow the hon. Gentleman. He covered a tremendous amount of material in his speech. I do not propose to follow him down every route that he pursued, except to say that he called on the Government to go further in their promise to ban hunting. However, I read in the second paragraph of the Queen's Speech that the Government want to provide

"people with real opportunities to liberate their potential."

It seems to me that the abolition, which the hon. Gentleman called for, of one of the fundamental freedoms exercised by hundreds of thousands of people in this country would not liberate their potential. However, we shall no doubt have a chance to discuss that in the coming months.

Mr. Bermingham: Did I hear the right hon. Gentleman correctly when he said that the right to kill a defenceless animal is a fundamental freedom?

Mr. Maclean: Hunting is certainly a fundamental freedom; it is a freedom of choice which adults in this country have. Hunting is a conscience issue—people can decide whether or not to hunt. In the coming months, if the Government pursue that grossly illiberal measure, they will be pulled up short by hundreds of thousands of people.

Mr. Ken Purchase (Wolverhampton, North-East): Will the right hon. Gentleman give way?

Mr. Maclean: No, the hon. Gentleman will no doubt have plenty of time to make his own remarks. Hunting was a small point that I picked out from the speech of the hon. Member for Burnley, and it does not constitute the main substance of my remarks.

I want to remind the House of the Government's key aim in the Queen's Speech, of

"providing people with real opportunities to liberate their potential".

Those are wonderful soundbite words, but how does the Queen's Speech measure up to them? The answer is: not very far.

Today's press has been full of trumpeting announcements from the No. 10 spin unit of 28 Bills in the Queen's Speech—28 measures to help people. I can imagine my constituents in Penrith tonight, sitting in The George, or still at work, or pushing their trolley around Safeway. They are looking at the 28 Bills that will provide them with

"real opportunities to liberate their potential"

and promote fairness and enterprise. They see that there will be an armed forces discipline Bill. I can imagine that that will appeal to them tremendously. They see that a new partnership between the United Kingdom and the overseas territories is mentioned. Well, some of them are no doubt just gagging for a measure on that subject. And the trustees Bill will excite considerably more of them.

The Government will introduce a regulation of utilities Bill because they want to put consumers first and cut prices. Competition and privatisation have cut utility prices. We do not need more tightening of the regulatory bureaucracy to cut prices further—we need more competition. If the Government said, "We think that we can improve on what the previous Government did because we can see the means of providing yet more competition", I would be the first to go into the Lobby with them. But if the Government think that they can cut prices by increasing the number of regulators, and having a grand regulatory authority, they are sadly mistaken.

What else in this thin gruel of a wasted opportunity of a Queen's Speech can my constituents look forward to tonight? Well, there is going to be an e-commerce Bill, which is the one thing that could stifle the opportunity to liberate their potential. If the Government go too far with this measure, either electronic commerce will move out of this country, or those who wish to use it will register with a server or service provider based in another country which has more liberal and sensible electronic commerce measures.

The Government have already had to back down on their encryption proposals, and rightly so. The proposals would simply have led to massive avoidance and the setting up of encryption regimes, possibly from America, encouraging people in this country to use those rather than British-based systems.

Mr. Brian White (Milton Keynes, North-East): Does the right hon. Gentleman remember that the previous Government proposed that key escrow should be mandatory? This Government made it voluntary, and then moved away from it totally. The Tory Government's proposals would have actually damaged e-commerce in this country.

Mr. Maclean: The Government have spent two years advocating and promoting the key escrow scheme and encryption proposals, and have abandoned them only in the past few months. It was perfectly sensible for the Government to say, "We have looked at the Tory proposals and other consultation papers. We don't like them, and we will have a more sensible and liberal regime." But to have, very grudgingly, given up some of the key escrow and encryption proposals and to introduce an e-commerce Bill that may still do nothing to improve electronic commerce in this country does the Government no credit.

What else have my constituents to look forward to? There is a Freedom of Information Bill which has no teeth, and a Bill on limited liability partnerships.

[Mr. Maclean]

They may like the crime and justice Bill, until they discover that all the Prime Minister's promised radical reformation of the probation service will do is reduce the regions from 55 to about 42—roughly mirroring police districts, I presume—and allow the Government to appoint the head of the local probation service. There will be more central control by central Government, who will appoint local probation heads. That is not a radical reform of the whole probation service; it is merely typical of the Government's wish to centralise and control.

I think that I have mentioned about a dozen Bills out of the 28 contained in the Queen's Speech which will make not the slightest difference to liberating the potential of my constituents. What will make a difference is if the Government start increasing rather than reducing the number of police officers. In Cumbria tonight, there are 40 fewer constables and police officers than when the previous Government left office. Throughout the country, the Government have cut police numbers by more than 1,000. It is not liberating the potential of our constituents if the Government cut police numbers, thereby reducing people's security and making it more likely that crime will rise again in the next few months. If that happens, the Government will have no one to blame but themselves.

Mr. Eric Forth (Bromley and Chislehurst): The situation is worse than my right hon. Friend thinks. Is he aware that there are now some 2,000 fewer police officers in the Metropolitan district than there were a few years ago? Two police stations in my borough of Bromley, including one in my constituency of Chislehurst, have closed since the Government came to office. What signal does my right hon. Friend think that is sending the public about law and order under this Government?

Mr. Maclean: My right hon. Friend is right. On this subject, as on many others, people are coming to realise that they have been conned by all the promises that the then Opposition made before the election, such as being tough on crime and tough on the causes of crime. So far, the Government are being tough on the police service and tough on police numbers. And as far as funding and numbers are concerned, the Government are pushing the Metropolitan police to the limits of viability. I have deep concerns about the viability of the Metropolitan police if the Government continue to squeeze their budget. I have tremendous admiration for the present Commissioner, Sir Paul Condon, and for his successor, John Stevens. He is one of Britain's finest police officers and was a superb police chief in Northumberland. Nevertheless, no matter how brilliant he may be, he cannot run a successful police force if its budget is being cut to the bone. There is nothing about that in today's Queen's Speech.

Of course, there is no harm in increasing the amount of drug testing that takes place, but it cannot be done unless the police have the funding to do it. Will the Government tell us in the next week or so how much that will cost? They will give the police the freedom to do it, but no police force in this country can conduct drug testing on the sort of scale to which the Government pretend, because they do not have the resources. That is one of the reasons why my constituents will be disappointed by this wasted opportunity.

On education, class sizes in my constituency have risen despite the Government's promises. Our excellent grammar school is under threat because of the rigged balloting system that the Government have introduced. What is in the Queen's Speech on education? The Government are going to destroy our training and enterprise councils and bring in an alternative system. The TECs have worked incredibly well—*[Interruption.]* Yes, perhaps they could have been improved and reformed, but they did not need to be destroyed, with control again taken back to Whitehall.

The new system will not work, simply because the Government do not intend the local deliverers of services and education to work hand in hand in the new authorities and boards. There will be central direction from the Department, but very little local input. That is why I think that the new training and skills councils will not deliver as the Government expect.

What else do my constituents have to look to in the Queen's Speech? There is a transport Bill to create

"a modern integrated and safe transport system, providing more choice for the travelling public."

Well, we have a lot of choice in rural Cumbria. Everyone who can do so uses the train. I use it every week to come to London—after I have driven 30 miles to the station, of course. There is no alternative. It is all very well for me—I can claim some of the money back in parliamentary allowances. But some of my constituents—and some of the less well-off ones—have to use cars to get to work, to reach the shops and for all their social business. They have no option but to use motor vehicles. They are being crucified by the Government, and all the talk about an integrated transport system is a million miles away from them.

There may be a few more such facilities in Newcastle, Manchester or London, but for the vast majority of people any talk of an integrated transport system and more use of public transport is a joke. It will not happen, even with the best will in the world. When the Government talk about providing more choice for rural constituents even as they tighten the noose of petrol duties around those people's necks, the joke becomes a sick one.

Can my constituents look forward to the local government Bill? Penrith is represented by Eden council, one of the few genuinely independent councils remaining to us. Politicians on both sides may scoff at the idea of independence, but we have, I think, three Conservatives, two Liberal Democrats and a couple of Labour members. There are more than 30 genuinely independent councillors. Are we to force them into a cabinet system, or an elected mayor system? Are we to give them two classes of councillors—the executive councillors and the "hey you"s who will have no say? All that would be anathema to them and to me. It is quite wrong.

I accept that there may be some merit in a cabinet system for politically controlled councils, but my constituents demand another option—the status quo of a committee system under which all the independent councillors have an equal say. Nothing in the local government Bill will liberate the potential of my constituents. Indeed, it will stifle their potential as it increases both the power of the bureaucrats and central control.

Mr. Desmond Swayne (New Forest, West): Does my right hon. Friend relish the prospect of polling booths in

supermarkets, which may release the potential people have to vote, but which will provide yet another unwelcome competitive advantage for the supermarket over the small rural shop?

Mr. Maclean: My hon. Friend makes another good point. I may be misjudging my constituents, but I believe that when they read in the Queen's Speech about online voting, or out-of-area voting, or mobile polling booths rolling around the largest constituency in England or Wales—there are 1,500 square miles of it—or their forthcoming ability to vote at Safeway, they will not be saying what a wonderful speech it is. They will not cry, "This is exactly what we have been waiting for."

The Government have cut our 2b funding. Agriculture is going down the plughole and the Government do not care. Motoring costs are going through the roof, and the Government are obsessed with looking after only urban constituents. Class sizes are increasing, and it is taking longer and longer to get on to waiting lists for the real waiting lists for operations. My constituents will not be saying, "Those are the issues that affect us, but—thank God—the Government, through today's Queen's Speech, are giving us the chance to vote at Safeway, and, indeed, if we go up to Carlisle, we could even vote at Tesco."

I have read the Queen's Speech. I have heard all the Government spin and propaganda about the 28 measures coming before us, with more to come, no doubt. Will those measures make a difference to people? They will make a difference to the bureaucrats—there will be more jobs for them. There will be more central control in Whitehall, too. But there will be no positive difference for my constituents, who struggle to make a living in a rural area that is suffering because of the Government's attempts to destroy the countryside and their failure to get adequate 2b funding for the areas that suffer the most.

The Government are failing to concentrate on the real issues. They were elected on education, education, education, but that pledge has been abandoned. They promised genuine improvements in the health service rather than the rhetoric that we have heard. I will not support the Queen's Speech because few of my constituents will find anything in it of substance or worth.

6.54 pm

Mr. Stuart Bell (Middlesbrough): The right hon. Member for Penrith and The Border (Mr. Maclean) has stolen my first line. I was going to say that I could not imagine him supporting the Queen's Speech after all that we have heard from him. We have heard several comments today about football clubs: my hon. Friend the Member for Bury, South (Mr. Lewis) mentioned Manchester City, and my right hon. Friend the Member for Copeland (Dr. Cunningham) mentioned Newcastle United. I should give Sunderland a mention, if only because Len Shackleton wrote in his autobiography that the average director's knowledge of football could be expressed by a blank piece of paper. Well, I took out a sheet of paper to make notes as the right hon. Member for Penrith and The Border was speaking, and it, too, is a blank piece of paper. What he said may appear in *Hansard* tomorrow, but his speech was a blank. No doubt his constituents will hear and read his speech with interest, then wonder whether they should cast their votes at the next general election in the same way as they did at the last.

The right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) talked about the voting system, one-party rule in local government and fair votes. He took the Government to task for not committing themselves to a referendum in this Parliament on proportional representation. He omitted to make the point that the Prime Minister appointed Lord Jenkins to produce a report on alternatives to the first-past-the-post system. Lord Jenkins offered four options, but did not use the time munificently offered by the Prime Minister to produce a proposal. If he had produced a single alternative to the first-past-the-post system, we might well have had the referendum in this Parliament. Lord Jenkins' failure to make a proposal meant that we could not honour the commitment.

When the right hon. Member for Ross, Skye and Inverness, West talks of fair votes for local government, he means proportional representation. He seems to feel that one-party rule in local government may be a way in which to change the system so that proportional representation can be introduced to let in more Liberal Democrats. If there is something wrong with local government, we should respond to it, but, as Bernard Shaw said, if one has a dirty face, one should wash it, not cut off one's nose.

Mr. Tom Brake (Carshalton and Wallington): The hon. Gentleman says that PR would let in more Liberal Democrats. In my borough, Sutton, 46 of the 56 councillors are Liberal Democrats, and PR would let in many more Conservative and Labour councillors.

Mr. Bell: That is an exception to the rule. The Liberal Democrats are trying to gain more representation by changing the voting system. There will be severe resistance to such change in the Labour party and the Labour movement both in the House of Commons and beyond. We do not believe in letting the Liberals in through some parliamentary or local government back door. We do not believe in letting them achieve that way what they cannot do in their own right.

Mr. Brake: Will the hon. Gentleman give way?

Mr. Bell: The hon. Gentleman is very impatient. He should wait his moment.

Mr. Purchase: Does my hon. Friend find it perverse that proportional representation, or, under the new term for it, fair votes, would mean that the person with the most votes would not win?

Mr. Bell: There is a lot of perversity in the proposed system. I am reminded that George Orwell wrote an essay in the 1930s suggesting that people would talk not about mass extermination or murdering people, but about cleansing. That proved correct with ethnic cleansing in the Kosovo war. The example may be extreme, but we should note that the Liberals no longer talk about proportional representation, but about fair votes.

Mr. Brake *rose—*

Mr. Bell: I have clearly irritated the hon. Gentleman, and I will therefore give way to him.

Mr. Brake: I thank the hon. Gentleman for giving way to me again. Is he really suggesting that elections such as

[Mr. Brake]

the recent European election are in some way a fraud, and that the Liberal Democrats who were elected then were elected by the back door?

Mr. Bell: No. The Liberal Democrats were upset about losing seats in the south-west to another party through the voting system. However, I give the hon. Gentleman a categoric assurance that the voting system for the last European election will not be used again. It was a total disaster for the electorate and it cannot be repeated.

I shall refer briefly to the remarks of the hon. Member for North Antrim (Rev. Ian Paisley) who made an eloquent and strong statement of his beliefs and those of the people whom he represents. He said that, when he tried to intervene on the Prime Minister, some hon. Members told him to shut up and sit down. I share Voltaire's view that I may

"disapprove of what you say, but I will defend to the death your right to say it."

The hon. Gentleman has been elected to put his point of view as forcefully as he might.

On Northern Ireland, the Gracious Speech states clearly that the Government

"will continue to work closely with the political parties and the Irish Government to secure the full implementation of the Good Friday Agreement."

We all understand the depth of feeling that the hon. Member for North Antrim expressed, but there is no way of cutting the Gordian knot of conflict and dissension in Northern Ireland; it can be disentangled only little by little. The Government are trying to do that with the support of all parties in the House.

The hon. Member for North Antrim also spoke about the future of the RUC. Again, the Queen's Speech states clearly:

"A Bill will be presented to implement proposals from the Independent Commission on Policing, following the completion of consultation."

We should all be part of the consultative process to consider how the RUC can come into the modern world, while preserving its ethos and traditions. We should also bear in mind the many RUC officers who have lost their lives or been severely wounded in the conflict.

I want to consider the economy, especially an aspect of it that is not treated with generosity in the House. I am not aware of any great debates on trade in the past two years and I would like to attempt to put the record straight by considering exports, the Export Credits Guarantee Department, and the arrangements to allow China to join the World Trade Organisation.

Notwithstanding the high value of the pound, the value of our exports is the highest that it has ever been. The figure for August is £20 billion—a 7 per cent. rise, which is the biggest increase in two years. We have been aided and abetted by a return to growth in the so-called Asian tiger economies. Our car manufacturers and our chemical manufacturers have been at the forefront of creating the increase.

It may not be opportune to mention the F word—French—which is unpopular because of the French attitude to our beef exports. However, the French have followed a successful franc fort policy for many years. Their currency has been strong and they have ended up being the fourth largest exporter in the world with a balance of payments surplus. Therefore, it is important to get right our strategy on exports in relation to the review of the Export Credits Guarantee Department, and to understand the importance of China's possible entry into the World Trade Organisation.

China has a market of 1.2 billion people. Our exporters need to know that the Export Credits Guarantee Department will act as their partner in the global marketplace. My right hon. Friend the Member for South Shields (Dr. Clark) referred to that earlier. The Export Credits Guarantee Department is a Government Department, and Britain is the fifth largest exporter in the world. We must maintain that position. We need an innovative Department that considers new ways of financing and acts as a partner to our business community.

I have seen it written somewhere that there is a move to privatise the ECGD. Notwithstanding a new Labour Government that are capable of privatisation, it is not in the interests of our exporters to privatise the ECGD. The ECGD gives sovereign, triple-A guarantees, which a company that took over might not be able to provide. It gives a Treasury guarantee, and it is not feasible or in the interests of the taxpayer or the exporter to privatise it. As the CBI pointed out, the ECGD remains crucial to United Kingdom business. For businesses to be successful in international markets, they need the ECGD to act as a partner. A review of its mission and status is currently taking place. It should take into account the new development of China's entry into the WTO.

I shall give an example of how we can support business and manufacturers in Britain. The Philippine Government are currently rebuilding their port structure and will require 10 roll-on/roll-off ferries. The Transport Investment Group Ltd., in partnership with Cammell Laird, will tender for the contract, which is worth the equivalent of $2.3 billion. However, companies from France and Japan are tendering for the contract and their respective Governments have offered soft loans at 4 per cent. over 20 years. Can we match that? I hope that we can and will.

On 28 October, the Transport Investment Group Ltd. wrote to the Secretary of State for Trade and Industry to ask for information about assistance on the soft loan terms and whether we could compete with overseas Governments' treatment of soft loans. I am sure that the Government want to be as helpful as possible in meeting competition in the global marketplace. Shipyards on the Tyne and the Tees would benefit tremendously from the contract as a large proportion of the work would go to that area.

I am grateful to the Secretary of State for Trade and Industry for meeting a delegation of Members of Parliament and union representatives on 22 September to discuss the implications for module yards on Teesside where orders for North sea modules are drying up. The Secretary of State was courteous and helpful in his responses to the anxieties that were presented to him. Oil costs $25 a barrel, and I hope that oil companies will understand that it is appropriate to stoke up their investment programmes. That would have the knock-on effect of creating work on Teesside and Tyneside for skilled workers in our module yards.

Earlier, I referred to an important event—the signing of an agreement between China and not only the United States, but, hopefully, Canada and the European Union. The agreement between China and the United States means that the millennium will end with China entering the global village and the global economy to the benefit not only of its people but of all trading countries. The agreement covers all goods, all services, all agriculture, a variety of rules on import surges, technology transfers, state trading enterprises, dumping, investing, subsidies and other issues. The agreement is in the interests of the Chinese people because it means that China will continue its policy of economic reform and development, that its markets will be opened up and that the efficiency of Chinese companies will be improved as they become more competitive between themselves and in the trading world.

We need a rules-based trading world, single market and WTO. Such rules should apply to those who work in our trading communities and should be based on the principles established by the International Labour Organisation.

I am told that a large Government delegation will go to Seattle at the end of the month for the World Trade Organisation conference, and that we are not in a time of crisis. The right hon. Member for Penrith and The Border spoke of wasted opportunities. In trade terms, this is a time, not of crisis, but of opportunity. The World Trade Organisation must aim to build a world economy with greater prospects of growth, jobs and rising living standards.

We live in a more technologically advanced and progressive world, as the right hon. Gentleman noted. There must be institutional reforms and improvements to make the WTO more effective and to broaden its base of public support. It must concentrate on how best to promote the integration of the developing countries. It must also work to help the least developed countries and to bring them into the world economy. In that respect, the Ministers in our delegation will take with them to Seattle the aims of Oxfam, which are to ensure that the outcome of future World Trade Organisation negotiations will be judged, among other things, on their contribution to poverty reduction.

I have set out a large agenda. As I reach my peroration, I am reminded of what Jim Callaghan, the former Member of Parliament who represented the Manchester constituency of Heywood and Middleton, told me. He said that, when hon. Members appear to be listening most intently, at the end of a speech, it is only because they are waiting for the speaker to sit down so that they can stand up. That is the feeling that I have now.

I like to end a speech with Browning's dictum that a man's reach should exceed his grasp, and that is why I always around look to see whether my hon. Friend the Member for Stockton, North (Mr. Cook) is present, as he will correct me if I get it wrong. I hope that I have it right this evening.

The trade conference in Seattle is a time of opportunity. Our reach must exceed our grasp. We must seize this moment, the beginning of a new millennium. We must seize the opportunity of a world market opening up for the benefit of all our exporters. Through the Department for Trade and Industry and the Export Credits Guarantee Department, we must give those exporters the help that they need so that all our constituents—even those of the right hon. Member for Penrith and The Border—will benefit.

7.12 pm

Mr. Eric Forth (Bromley and Chislehurst): It is disappointing that the hon. Member for Middlesbrough (Mr. Bell) should have finished so soon, just as we were savouring his speech. However, I must admit that, as much as anything, I savoured the number of clichés that the hon. Gentleman managed to include. I hope that he is able to seize the cliché when he reads his speech later this evening or tomorrow: a cliché count might provide him with some amusement. I might try it myself.

I have sat through the whole debate so far, but I regret that I will not be present for the winding-up speeches, as I shall be attending—

Mr. Harry Barnes (North–East Derbyshire): There are no winding-up speeches.

Mr. Forth: Well, there should be. I am let off the hook entirely, but how can we have a debate without winding-up speeches? Will it just trickle to an end?

Mr. Kirkwood: The debate ends next week—stick to the clichés.

Mr. Forth: I am surrounded by good advice, which is not something I usually get.

I am surprised that the debate has not yet touched on the reference in the Queen's Speech to the establishment of

"a new Learning and Skills Council to improve standards for Post 16 education and training."

That brief phrase contains a contradiction in terms. It assumes that setting up yet another bureaucracy—the new Learning and Skills Council—will somehow lead to improved standards in post-16 education. For a while, I had the honour to be an Education Minister in the previous Government, and I learned the bitter lesson that bureaucracies do not improve standards in education.

Some of us learned another lesson as well. I now believe that one of the biggest mistakes that the previous Conservative Government made in their many years in power was to abolish the so-called binary line. In doing away with polytechnics and, at the wave of a wand, creating universities from all institutions, that Government made a tragic mistake.

I address my comments to right hon. and hon. Members on both Front Benches, even though there is to be no reply to the debate tonight. My fear is that we shall perpetuate that error in a blind and unquestioning way. We base our reasoning about post-16 education on a number of propositions that are becoming less sustainable as time goes by.

For example, it is assumed that the more universities that we have, the better. That seems a simple and straightforward proposition, but I do not believe it to be true. The assumption is that the more graduates that we have, the better—regardless of what a graduate is. We have redefined a university degree to be something that one person in three can attain and the Prime Minister has told us, with pride, that the Government intend to ensure

[Mr. Forth]

that 50 per cent. of people will be graduates. That means that a university degree will be redefined as something that can be attained by one person in two.

I have my doubts about that. Instead of increasing the educational quality in our society, the Government's objective will merely devalue the concept of a degree. That will benefit neither those who receive what will be an increasingly worthless qualification, nor society as a whole.

Mr. Purchase: Does not the right hon. Gentleman agree that opening up educational opportunities to our population is of itself a good thing? I agree that it is vital to maintain standards, but would not the nation be better off if 50 per cent. of our people were able to attain the educational standard embodied in a degree, simply because they had had the opportunity to do so?

Mr. Forth: No, I do not agree with that. I agree with the hon. Gentleman that the education process, including lifelong or lifetime learning, should be opened up to as many people as possible, but that objective is not achieved simply by creating more institutions called universities and giving more people something called a degree. I consider that approach to be counterproductive. People who have been accepted into university have to be given remedial classes, and that shows that something must be very wrong with the system over which we have presided over the past few years.

Mr. Fabricant: Is my right hon. Friend aware that, before the move to turn polytechnics into universities, countries such as Malaysia and Singapore sent students to the United Kingdom university of their choice? Now, white lists and black lists are produced. Sadly, most of the former polytechnics are on the black lists. Moreover, because the black lists have not been updated, some of the good, older universities appear on them too. Is it not a condemnation of the present system that other countries can detect this country's irregular standard of further education?

Mr. Forth: In so far as what my hon. Friend says is true, it is an illustration of another truth: we may have thought that we were going to convince the vital global education market when we redesignated our educational institutions as universities, and in that way attract more business, but the tactic has been rumbled. As my hon. Friend suggests, the real sadness is that it will be counterproductive to persist in that approach.

What is the answer to the problem? I believe that we should free up the world of post-16 further and higher education, permit institutions to develop as they wish and allow individuals to make choices about what qualifications they want to achieve at different times in their lives. I want there to be a spectrum of institutions and of qualifications. Qualifications should range from the very academic level of what used to be called degrees to the practical training that polytechnics provided so well. I regret to say that such practical qualifications have become less attractive to young people.

The other danger that we run into is that by offering people degrees that are less and less practical and useful, and giving them inducements to seek such qualifications, our education system is producing fewer and fewer people with practical and useful qualifications.

We now have the worst of all possible worlds—falling standards, institutions being designated by names that they neither need nor deserve, and qualifications that are less and less useful in this great competitive world about which we have already heard so much in the debate.

Surely it would be better if we did away with all the bureaucracy that bedevils education—all those hundreds and thousands of worthy and hard-working people in the Department for Education and Employment, whose job is supposedly to monitor universities and other institutions, to interfere and intervene, and to try, with, I regret, less and less effect, to maintain standards.

Instead of all that, we should allow institutions to determine what they will offer, the length of their courses and the nature of their qualifications. We should allow them to charge whatever fees they think appropriate for the different qualifications. At one end of the spectrum there could be the four-year full-blown degree course as we used to understand the idea in the old days, and at the other, the six-month or one-year practical, focused course that would be appropriate for other sorts of people.

Students would make their own judgments about which qualifications were appropriate for their time of life and their aspirations. They would then apply to a proper loans system run by or on behalf of the Government, to pay the fees that the institutions charged. That would enable institutions to make their own decisions about what they wanted to offer, and, more importantly, it would enable students to make their own decisions about what they thought appropriate to their needs. We would not force people into the straitjacket of something called a degree, or force them to study for three or four years when that was not what they wanted or needed at that stage in their lives.

In other words, we would allow the student as consumer to determine what happened. That would enable us to do away with all those bureaucracies—yet in the Queen's Speech we heard that yet another bureaucracy was to be set up to interfere further in the education process for the sake of chasing that will o' the wisp, standards. It should be the users and the consumers—the students and those who employ qualified people—who determine standards, not some bureaucracy trying vainly to impose a straitjacket of qualifications on students and institutions alike.

I hope that I can persuade my Front-Bench spokesmen of at least some of my argument, but I do not know whether the Government will ever be open to persuasion. My argument should go very much with the flow of what they claim to be doing, and what is, I hope, instinctively attractive to Conservative spokesmen, because it is about reducing or abolishing bureaucracies and giving individual people more and more choice—freeing up the world of education to do more of what it, rather than the Government or politicians, thinks appropriate.

All those propositions should be attractive; I would have thought that they were almost self-evident. Yet I suspect that they will be seen as the sort of dangerous heresy and outlandish radicalism that the world of education cannot possibly handle. However, when I was responsible for such matters and had discussions in private with senior people in education, especially in higher education, I always found them rather receptive to such ideas. They thought that being given more control over their own affairs would benefit both their institutions

and their students. I believe that that is true, and I hope that it is not yet too late for all the parties in the House seriously and radically to reconsider their education policies. Let us have a complete change of direction.

7.24 pm

Mr. Ken Purchase (Wolverhampton, North-East): I welcome the business friendly measures announced today, which will proceed through the House in due course. First, however, I must tell the House that I am a Labour and Co-operative Member of Parliament, and at the general election the Co-operative party paid almost a quarter of my election expenses. I gladly and proudly declare that interest.

It was disappointing for me, and for several of my hon. Friends who are also Labour and Co-operative Members, that room could not be found in the Queen's Speech for a comprehensive Co-operative Act, which would have assisted the defence and advancement of mutuality in its many different forms. Many Members on both sides of the House regret the tactics used by some carpetbaggers in connection with the demutualisation of building societies. A comprehensive approach to mutuality, through a Co-operative Act, would have been welcome at this juncture, and would have sent a message to people working not only in the building societies and the large co-operative societies but in credit unions, worker co-ops, and producer and consumer co-ops of all kinds.

Mr. Bermingham: My hon. Friend makes a valid point and demutualisation is now spreading to insurance, too—I too declare an interest, because I have policies with Canada Life, which has just demutualised. There will be other such demutualisations in future and, ultimately, it is the policyholders who suffer. They may make an initial gain, but they suffer a loss in the end.

Mr. Purchase: I agree. Like other people, I am worried that if we witness many more attacks on mutuality on the present scale, there may no longer be a critical mass of mutual organisations to act as a competitive alternative to banks and the other financial institutions based on share trading. I fear that that track may lead to great disappointment. I believe, perhaps simplistically, that if we lost mutuals to the extent that they were no longer an option, they would have to be reinvented because they play a valuable role in our lives, both monetary and social.

Mr. Fabricant: Does the hon. Gentleman share my concern that unusual organisations such as the John Lewis Partnership, which is also—to use a bit of jargon—a stakeholding organisation as all the staff are owners, have also lost out because the tax break on bonus payments has been removed? Does he agree that the 40,000 partners in John Lewis could benefit if the Government restored the tax break for organisations that genuinely allow profit sharing by their employees?

Mr. Purchase: I am so pleased that that point has been raised, because it enables me to speak about taxation as it affects co-operatives in general, especially the larger ones. Co-operatives do not have tradeable shares or equity, in the sense of being able to gather risk money to reinvest. Reinvestment for them must be made wholly through the medium of a loan, a bond or internally generated surpluses.

I was disappointed in my right hon. Friend the Chancellor last week because he did not do as the hon. Gentleman suggests and restore the tax breaks. Why not let the larger societies and other organisations qualify for the small firms rate of corporation tax, which would give them the opportunity to reinvest and—to use the Government's catchword—modernise? They need money to do that, but they cannot replace the money that is taken from them in the way that other companies based on equity and tradeable shares can. I therefore hope that, at some stage, there can be a comprehensive review of how we could assist mutual structures and deal with the tax side of their affairs.

I welcome the Government's attempts to be more friendly to business and to ensure that business has more opportunities to develop. Not least among the measures announced today is the modernisation of Companies House. Those of us who have dealt with that organisation over the years believe that modernisation is well overdue. Some of the measures that have been announced will be extremely helpful. However, as with any measures that the Government introduce to assist industry, it is how those affect the firm that matters in the long term. I am concerned—at the level of the firm—that the measures announced today should comprehend properly the problems that small and medium-sized businesses experience in the marketplace and within their organisations.

I shall deal with two particular Bills. The first relates to business rescue and unfit directors, and the second allows partnerships to benefit from limited liability status. The news on business rescue in today's Gracious Speech was welcome. Many small and medium-sized businesses find themselves unable to meet their liabilities in a timely fashion. They may have a perfectly sound balance sheet when examined at any point in the year, but because of cash-flow difficulties they cannot satisfy, in a timely fashion, all their creditors as they would wish.

There are a number of causes, although the problem does not always arise within the company. Obviously, the poor collection of invoices is a problem within the company, but other causes include inadequate procedures for chasing up the payment of invoices so that the next round of payments can be made on time. Small companies often have to deal with larger companies, and trying to get them to pay their bills on time is like wringing blood from a stone. Indeed, some large companies employ people with the simple task of delaying to the maximum the payment of invoices. That causes great difficulty. Both sides of the House were keen to introduce the payment of interest on late payment. However, many small companies that depend on a portfolio of only half a dozen companies with which they do business simply cannot insist on timely payment. When they look a buyer in the eye and say, "Pay my bill", the buyer says, "Sure—and we'll pay it with interest. But by the way, there may not be too many orders coming your way in future."

Any small company faced with a larger company determined to bolster its own cash flow by delaying payment faces a formidable obstacle. Although the introduction of interest payments was welcomed by both sides of the House—perhaps not by all hon. Members, but generally by the business world—more is needed. Perhaps we should move towards a kitemark of British standards in accountancy. That would carry a legend from the auditors showing that invoices in a particular company

[Mr. Purchase]

were paid promptly. A small company would then know the payment record of a larger company with which it wanted to do business. It could then choose either to finance the cash flow of that larger company for a period, or not to do that business. That information is vital.

There are other causes of untimely payment. Some companies overstretch themselves or overtrade while trying to build up the business. They may take on loans that become onerous because of other payments that have to be made for materials or work in progress. Poorly structured overdraft facilities can cause major problems for small companies. Someone may go into business without much experience. Things may go well at first, and the person may accept more work and take on an overdraft. Before he knows it, however, the overdraft is inadequate and the bank manager is then anxious to pull the rug from under him.

Banks always lend money when the sun is shining, but when it starts to rain they take away the umbrella that gives a bit of protection. Overdrafts are often inadequate and poor advice is given by professionals who should be helping small companies to deal with those problems. The first duty of a bank is to protect its customers' deposits; it is not to finance struggling businesses. Banks must ensure that everything is done properly to protect those interests. The business world seems wrongly to believe that banks are wholly responsible for loaning money and structuring overdrafts for the development of small businesses. Although banks have a major role to play, we must remember that their first duty is to their depositors, not to their borrowers.

Mr. Fabricant: Does the hon. Gentleman agree that there is also a deficit? High street banks are prepared to loan money up to a certain amount—perhaps £100,000—and merchant banks are prepared to do risk assessments, but only find it worthwhile to loan more than £5 million. There is, therefore, a huge gap. Organisations like 3i are few and far between. Britain suffers because Germany and the United States of America have institutions that are prepared to lend money in the middle ground.

Mr. Purchase: The hon. Gentleman sets out that case particularly well. We miss the middle stratum, whereas Germany, with its regional banking system, does not. I commend the Midland bank report, published a few years ago, on that very problem. We have not been able to cover the gap between modest banking loans and the merchant bank approach to the same problem on a larger scale. I entirely agree with the hon. Gentleman and can only endorse his remarks. That matter should be dealt with as quickly as possible.

On the whole question of rescue, I did a great deal of work some years ago with the late Derek Fatchett, who was mentioned earlier today. I add my personal tribute, having worked with Derek in education, trade and industry and, latterly, the Foreign Office. He was a grand man and I am very saddened by his passing. We did an awful lot of work on the first draft of Labour's ideas on small firms. We found that there was widespread support for an American-style approach to bringing creditors together to check whether a company was viable—whether it really needed to close or go into liquidation, or whether work could be done to ensure that debts would be paid.

In business, one must pay one's way and those who lend money or supply the business with goods and services are entitled to be paid. The supplying of goods and services is not a benevolent action; a return is expected. However, by pulling the rug too quickly, nobody gets anything worth while. The American system—it is chapter 11 rather than chapter 8—allows the bringing together of creditors to examine whether a company could be managed out of a position that would otherwise lead to liquidation, and therefore to the end of the company and the jobs that go with it.

At that point, many things must be looked at—the volume of orders, profitability, the margins expected and whether the company is running its business effectively and efficiently. It is certainly true that many people in the west midlands are marvellous when they are working on their tools, drawings or whatever, but when it comes to running the business they find themselves in difficulties simply because of their lack of knowledge and experience. Whether in the polytechnics, universities or colleges, we simply do not do enough to ensure that people know how to deal with business procedures.

Banks can play a bigger role. I regret the fact that bank managers have become more and more remote from the businesses that they serve. Not that long ago, bank managers would expect to know a great deal about all the small businesses that they were servicing and could give valuable advice, often free of charge—one does not get that with a bank nowadays as nothing is free. A bank manager with local knowledge could often help a company trade through and manage itself in a difficult period.

Really, we are telling banks, "Get your act together." They should recognise that job creation is strong in small companies and that helps the local economy. It is a virtuous circle of developing local products and selling locally, with the money staying in the local economy. Help, help, help is what is needed for small businesses in the early years. Often, an experienced person from the bank, or an accountant, can see his or her way through a simple muddle and clear it up, getting the company through a difficult time.

The legislation to help the rescue of viable businesses is welcome. The detail will be important. Therefore, every member of the Standing Committee should be under a duty to ensure that the Bill is appropriately worded and that it will assist rather than hinder in those difficult circumstances.

The previous Government introduced a worthwhile disqualification procedure for directors who were clearly shown to be inadequate or worse, but regrettably this has turned out to be an extremely long process. Often, disqualification leads on from insolvency proceedings, during which one finds that directors have not behaved as they should. Only at the end of that process can one start the next step of disqualifying a director who has behaved inappropriately.

We need a new process that will protect both the company concerned and other people who may be unaware that the director is involved in insolvency proceedings that may lead to prosecution. We should shorten the time that the process takes—it can take up to five years to get a director disqualified. I would not want to transgress the rule that someone is innocent until

proven guilty, but that procedure leaves many other business people open to the wiles of directors who are perhaps less scrupulous than they should be.

The few get the many a bad name. Those directors and owners of companies whom I know detest people who go about their business wrongly or dishonestly. Such behaviour does so much damage to confidence and to trading between many smaller companies.

Mr. Pike: Does my hon. Friend think that we should also study the procedures whereby people stand as directors of mutuals? Often, there is no substance to their nomination, but they have to get only a relatively small number of signatures. I realise that the number is being increased, but there is a considerable danger of people being nominated and elected when they do not have the right qualifications.

Mr. Purchase: My hon. Friend speaks with great knowledge of the subject; I have heard him do so before. It is too simple for carpetbaggers to get into these positions. It is not a criminal offence, of course, but by golly it ought to be. The way in which such people behave once elected is a disgrace. However, I have already spoken about that matter and the need for comprehensive legislation and so I should press on.

The proposals on limited liability partnerships are another important step forward. This is a long-standing problem for partnerships. One can have a good partnership agreement that regulates the internal business of a company well, but which, in our increasingly litigious society, can lead to exposure to unlimited damages that are exceedingly hard and expensive to insure against. A small unlimited liability partnership of eight or 10 people could be paying tens of thousands of pounds to get the appropriate insurance.

Many companies, particularly accountancy firms, are finding ways to strip out parts of the business—in particular the audit function—to ensure that they are made into a limited company. That is sensible, but they should not need to have to find the ways and means to do so. We should bring them into the broad stream of limited liability and ensure that companies in our litigious society can protect themselves properly. Obviously, there is a danger that there may be some reduction in the sharpness with which these accountants, lawyers and others look after their own businesses and think of their clients. That is not a huge danger, but we could try to guard against it in any legislation. It would be easy to lose some of the edge that most partnerships now have when defending their pockets and their livelihoods. However, that legislation is welcome.

I am sorry to have detained the House, but there was another notable omission from the Queen's Speech. It is important that we simplify accounting and reporting procedures for small firms. What do I mean by small? In this case, I am talking of those with a turnover of £1 million to £1.2 million and with fewer than 20 employees. Consider the accounts that companies have to produce, mainly to satisfy the banks, which want belt and braces. They want to be assured that everything is okay and they demand more and more information—pages of notes, interpolations and so forth. That places a silly burden on small companies. Frankly, they could simply produce a profit and loss account or a balance sheet as we used to do years ago—what we used to call source and application, but is now called a cash-flow statement. That would be adequate for thousands of small companies. When all that information is brought together—much of it is due to European accounting conventions—the poor bods who are paying for the accounts often have not got a clue what they mean. They really want accounts that they understand and that will let them run their businesses.

In a radio interview, Sir John Harvey-Jones, the troubleshooter, was asked what he thought about the way British business was run and why it was always in trouble for this, that and the other. He was asked if he thought we would be better off if we had as many MBA courses as they have in the United States—every small town has such a course there—to which he replied, "Never mind the MBAs, I'd just be pleased if some of my directors could read a bloody balance sheet." It was as simple as that. He was talking about large companies. In small companies, information that is clearly stated and properly understood is vital to success.

I hope that there will be an opportunity for us to introduce simplified accounts for small companies. It would cost the Treasury little, but would lighten the burden on small developing companies. The Government deserve a welcome for these prospective Bills. They will increase employment opportunities in a vital sector of the British economy.

7.50 pm

Mr. Michael Fabricant (Lichfield): It is a great pleasure to follow the hon. Member for Wolverhampton, North-East (Mr. Purchase). His was a thoughtful speech and it is sad that such contributions are rarely broadcast on BBC or ITN, which prefer the hurly-burly of Prime Minister's Question Time rather than saner, more intelligent contributions. I am not sure whether I can continue in that vein.

Earlier today, I was speechless when I was called to Abingdon Green, as one is from time to time, to appear on Sky News with the hon. Member for Great Grimsby (Mr. Mitchell). With a Liberal representative, we were commenting on the Queen's Speech. I was quite prepared to say what I thought about it. It is a shame that the hon. Gentleman is not here because he started by saying that the Queen's Speech was rather thin. He said that it contained measures on e-commerce that he did not think that many people would be grabbed by but that the important issues of health and education were not addressed. I did not know what to say because he had taken the very words from my mouth. A growing number of Labour Members now speak the truth and their own minds. He ceremoniously dropped a large Labour briefing of about 100 pages, including questions and answers, on to the grass and said what he truly believed.

At the general election two and a half years ago, a song was sung: "Things Can Only Get Better". I wanted to give the Government the benefit of the doubt. I thought that at least things might stay the same, but they have got worse. What have we heard in this Queen's Speech? There is the Freedom of Information Bill, with 21 exemptions on issues that prejudice the Government. In the White Paper, there were only seven such exemptions. Not satisfied with that, the Home Secretary has powers at any time to use a statutory instrument to increase them further. That is very sad.

[Mr. Michael Fabricant]

Both in the previous Parliament and in this, I have spoken in favour of a freedom of information Act. Some hon. Members will know that I was brought up for a while in the United States of America. Its freedom of information legislation creates difficulties for the Government but also a transparency by which democracy is well served.

Mr. White: Will the hon. Gentleman give way?

Mr. Fabricant: I shall give way to the hon. Gentleman, who also spent some time in the United States.

Mr. White: Is the hon. Gentleman aware of the Government's response to the Select Committee report that set out some of the concerns that he started to raise? The Government responded very positively to those concerns, including some of those that he mentioned.

Mr. Fabricant: The hon. Gentleman says that the Government responded positively, but they have increased the number of exemptions. I do not think that that was positive. They are making the operation of Government more opaque with their Freedom of Information Bill. That is unfortunate.

I also said in the previous Parliament and in the current one that, in principle, I am not against a minimum wage. One operates in the United States, but with many exemptions and regional variations. There is not a national minimum wage in the sense that we understand it in the United Kingdom. If the Labour party is looking towards the United States of America, it should not pluck headings like "minimum wage" or "Freedom of Information Bill" and then degrade the legislation when it is translated into an English environment. They should learn from the United States and see where United Kingdom legislation could be improved if it echoed that which operates in the United States.

There are some good points in the Queen's Speech. One item caused me some surprise. It will be made unlawful for public bodies to discriminate on racial grounds. I and Labour and Conservative colleagues were surprised that it is lawful for public bodies so to discriminate. That loophole needs to be closed. I am pleased that it will be.

We all applaud the general principle of stamping out abuse in the social services. I only hope that that does not mean in practice that people with disabilities who are on the margin will be prevented by the Government from claiming disability benefit that they previously could have claimed. Where there is genuine abuse, it should be stamped out because it deprives those in genuine need from accessing money from the social services and social security budget. It all depends on the fine print. I suspect that hon. Members on both sides of the House will examine that closely when the Bill is published.

Another good point is mandatory drug testing in the criminal justice system. We all know that drugs pervade many of our prisons. If mandatory drug testing means mandatory drug testing of prisoners, I will applaud it. There has always been a problem with that because it has been the general view of the European Court of Human Rights that prisoners have the right to refuse drug testing and invasive examination by doctors. I applaud the Government, if—and it is a big "if"—they are going to resist that and allow the testing of prisoners.

Mr. Brake: Is the hon. Gentleman aware that it appears that one effect of mandatory drug testing in prisons has been to shift prisoners who were using cannabis on to much harder drugs because cannabis stays in the system much longer?

Mr. Fabricant: If that is the effect of such examination, it is detrimental. Some day, in many, many years' time, perhaps there will be a sensible debate about cannabis, but we will not get into that now.

I also welcome the interesting prospect of a measure on commonhold. The danger with such legislation is that if it is too one-sided, it could drive leasehold property off the market. I well remember the Rent Acts of the 1970s and how they drove rented property from the market and much increased the cost of acquiring property. However, if the Bill is introduced sensibly, I suspect that it will have the support of the whole House.

So far I have been positive and embracing, but let me say now that the majority of the Queen's Speech will be disapproved of not only by most Opposition Members but by the country. It is wrong to clobber the driver yet again. Three new taxes are being introduced: a congestion tax, a motorway tax and a parking tax. I wonder whether the parking tax will apply to us in the House of Commons. Will we be taxed for using the car parking facilities in the Palace of Westminster?

For many people, including those in rural areas such as the constituency that I have the honour to represent, there is no alternative to the motor car. There is an answer to congestion on our major trunk roads and motorways. That answer is not achieved by simply imposing tolls. That answer involves modern technology. The Transport Research Laboratory and the sister body in the United States have proved that it is possible to increase the density of traffic on existing roads sixfold. That would require an act of vision by the Government and sadly, the Government are not a Government based on vision. They are a Government based on soundbite. If some of the new technologies were introduced, we would find that it would not be necessary to build roads such as the Birmingham northern relief road or to increase the width of the M1 or the M6. If the new technologies were slowly introduced, we could increase the amount of traffic on existing roads sixfold.

Such an increase would allow more than the population of Britain to be on the road simultaneously. If every person over 16 drove, the amount of traffic would increase only threefold. So there is huge capacity if we use current available technology. That is an exciting prospect, but the Department of the Environment, Transport and the Regions has not even begun to explore it, let alone include it in the Queen's Speech.

The hon. Member for Wolverhampton, North-East mentioned chapter 11. I have been looking at my notes on the insolvency Bill. Unless my notes are incomplete, it seems that the Bill will not contain any provision such as chapter 11. When a company gets into difficulties—small companies often do as a result of cash flow problems—it is difficult for it to trade out of difficulty in the short term. Here again, Britain could look to the

United States. Under chapter 11, a receiver is appointed not to liquidate a company but to protect it, if it is viable, and allow it to trade out of difficulties.

Mr. Purchase: I have no special knowledge about whether the Bill will contain a provision such as chapter 11, but if we are to bring about the changes envisaged there will have to be an American-style approach. It will not necessarily be a chapter 11 provision.

Mr. Fabricant: As with so much of the legislation, we shall have to wait and see and read the fine print of the Bill. I hope that there will be some such provision. So many good companies go to the wall as a result of temporary cash flow difficulties. If only they could be protected for six or 12 months, they could survive. TWA, which some would argue is not a good company because it is still making losses, was protected for six years. I believe that United Airlines—no doubt I will receive a brisk letter from it tomorrow if I have got it wrong—is still under chapter 11 protection. Nevertheless, it is bad for the viability of business in Great Britain that good companies go out of business simply because they have short-term cash flow problems.

I was sad to see that there was no mention in any depth about the state of agriculture in the Queen's Speech. Three or four months ago, the Prime Minister stood just a few feet from where I am standing and said, "We have lifted the beef ban." As far as I know, not one kilogram, not one gram, or should I say not one ounce, of beef has been exported to France or Germany yet. Not one ounce of beef has yet been exported on or off the bone to Europe. So how the Prime Minister can boast that he has lifted the ban, I do not know. The matter has still to be addressed.

The health Bill is non-existent. I guess that all I can report is what is happening in Lichfield. The Victoria hospital faces, if not closure, having most of its services taken away. This is a good opportunity to give a little plug. I commend the *Lichfield Mercury*, which in just three weeks pulled together a petition to save our Vic. I have just sent today to the Secretary of State for Health a petition of 15,146 names, which is out of 28,000 adults who live in Lichfield—more than half the adult population. They sang the song, "Things Can Only Get Better" at the election. Well they ain't getting better on the health front in Lichfield or Staffordshire as a whole.

On the law and order and policing front, things have got considerably worse. I had the opportunity at Prime Minister's questions to bring to his attention the current state of policing in Staffordshire. Due to lack of funding from the Government, in the next three years the Staffordshire police force will be reduced by 250 police officers. That is literally a decimation of Staffordshire police. The Government will have to deal with that. It is happening not only in Staffordshire but up and down the country. If one goes to Lichfield police station after 5 o'clock, one finds the doors locked and shuttered. It has become a nine-to-five business. Things have not got better under Labour.

What about education? I saw a cartoon in *Private Eye* a few weeks ago that showed the Prime Minister looking at a piece of paper that said, "Education, education, education". The Prime Minister turns to a colleague and says, "Education, education, education—that's all I hear about nowadays." The promise was made before the election that areas such as Staffordshire and other parts of the country that were not getting a fair allocation in their standard spending assessment would have their allocation equalised with that of Hertfordshire. That has not happened. It was a broken promise. For all the promises that the Prime Minister has made, he now tells us that the Government will not even attempt to achieve a fairer assessment for Staffordshire and other counties until after the next election. I have been told in a written answer that he cannot guarantee when the matter will be considered. He certainly makes no guarantees about the result.

Mr. David Taylor: I understand the hon. Gentleman's concern about the SSA for primary and secondary school pupils in Staffordshire because Leicestershire shares those difficulties, but does the hon. Gentleman acknowledge that the SSA formula that creates widespread anomalies was produced by the Conservative Government and that the key difficulty is the supplement given to authorities in the south-east to reflect their apparent additional costs, which are in dispute?

Mr. Fabricant: The hon. Gentleman is right to say that the formula existed under the previous Government. I do not know whether the hon. Gentleman was on the Opposition Benches when I was on the Government Benches, but he may recall that I raised the matter with the previous Prime Minister, as I have done with the current Prime Minister. At least I get full marks for consistency. The hon. Gentleman is wrong when he says that the rate for Staffordshire and Leicestershire is not high compared with that for southern England; it is also low compared with that of Manchester and the north-west. I suspect that the problems that he ascribes to the previous Government with regard to the south-east are now the problems that apply to his Government. The Labour Government also want to appeal to the south-east. Many people in the north-west and north-east feel that they are being neglected by the Labour Government for the benefit of the south-east.

At the end of the day, the promise was made. At least I received an honest answer from the previous Prime Minister. He said that the situation could not be changed, and made no promise at the general election. So that is another broken promise from Labour. I confidently expected something in the Queen's Speech to address that problem. Like so many other important issues that should have been in the Queen's Speech, that one was also missing. That is another example of how things can only get worse.

I do not know why I went to hear the Queen's Speech. I was in my office in Norman Shaw North and I switched on the internet to look at BBC Online. At 9 am most of the Queen's Speech was already on the internet. Parliament is becoming increasingly sidelined. I am trying to be in reasonable mode following the example of the hon. Member for Wolverhampton, North-East. Of course, in the past, drips of information were released before statements in Parliament, but not in such detail as happens now.

In the not too distant future, we will not be traipsing to the other place through Central Lobby. We will all traipse into Downing street. The Head of Government, nay the head of state, will stand on a balcony specially erected in Downing street—assuming that the Prime Minister's office is still in No. 10 Downing street, as he has deemed

[Mr. Fabricant]

it too small for his operation. We will all have to look up as god himself, the Prime Minister, gives the word down to us. That is the state of affairs that we are fast approaching.

The Queen's Speech was supposed to be about enterprise and fairness. Instead, as the hon. Member for Great Grimsby said, it was a thin speech. I am a great admirer of the Her Majesty the Queen, and my estimation rose still higher when she read this empty speech with a straight face worthy of the hon. Member for Hampstead and Highgate (Ms Jackson). The Queen deserves an Oscar for her performance this morning. The Queen's Speech was sadly not about enterprise and fairness. As ever, it was all about spin and hype.

8.12 pm

Mr. Gerald Bermingham (St. Helens, South): Having listened to 22 minutes of constructive criticism consisting of thin air from someone who cannot string three phrases together without a cliché, I have to ask myself about the purpose of opposition. For a number of years I sat on the Opposition Benches, and I listened to Queen's Speech after Queen's Speech. I tried to be critical and analytical, to find what was good and what was bad. I often found an awful lot that was bad, but occasionally found something good. That which was good I praised, and that which was bad I criticised. When I studied this Queen's Speech, I applied the same test.

Mr. Fabricant: The hon. Gentleman said that I spoke for 22 minutes. I think that he was present the whole time—if not, he will see this when he reads *Hansard*—so I am sure he will agree that I spoke for seven or eight minutes at the beginning about what I thought was good in the Queen's Speech.

Mr. Bermingham: If the hon. Gentleman had left it there, he would have done the House a service. I do not propose to take 22 minutes on my speech.

I read the Queen's Speech and asked myself what it does for my constituency. That is the test to which any Queen's Speech must be put. Many measures have been introduced. We have heard about tax credits and other proposals, and I shall not bore the House by repeating comments on them. I endorse what my right hon. and hon. Friends have said.

St. Helens is an old area. I am reminded of the speech of my right hon. Friend the Member for South Shields (Dr. Clark), who represents an equally old industrial area. My hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) also referred to his constituency where industries are dying. We need to bring new industry, training and development to those areas.

In my area we have lost the coal industry, the glass industry has been scaled down—we have lost United Glass and others—we have lost the chemical industry in SmithKline Beecham, and we have lost large parts of the clothing industry. I hope that the Government will reconsider the textile agreements, which we have not yet entered into, that would protect the textile industries in my constituency and in the rest of the United Kingdom.

When those industries go, what will we be left with? In St. Helens we are left with the training industry. Our college has some 20,000 students. The tragedy is that it trains them and they develop—but where do they work? They have to move away. The young cannot work in their home town. Every year, thousands of people are trained for the hotel and catering industry and then move away.

Some industries are developing in my area. There are now nearly 5,000 employees in the transport and distribution industry. Why? Because we are conveniently placed at the crossroads of several motorways: the M56, M6, M62 and M57. Lorries travel back and forth. I am glad that the escalator tax has slowed down. If it had continued at the same rate, the transport industry in the north-west would have been in extreme difficulty.

I am concerned about taxation on transport vehicles. Eddie Stobart has already set up in Belgium, with his first company moving abroad. My experience and background in Ireland tell me that Northern Irish transport industries are moving south. Why? Taxation and diesel costs are lower. Lorries can take 1,000 gallons. The rules have now changed, so that lorries can travel through entire countries without picking up fuel. They deliver in transit and pick up and transfer on again. I am worried, and I make no bones about that.

I am worried about certain rules on the taxation of vehicles. What is defined as a goods vehicle? Mobile cranes are not goods vehicles, but according to a ruling in a court case mobile pumps are—the Driver and Vehicle Licensing Agency in Swansea said they were not, but the judges said they were.

If society is to develop sensibly, we must consider those matters as of grave concern. They affect my constituency, but are not dealt with in the Queen's Speech. If we are to have a fair and just society, we must consider these issues with some care. I am not being critical of the Government. Members of Parliament must take these matters on board and bring them to the attention of the Executive. Court judgments are made because the politicians and legislative draftsmen do not always envisage the outcome of the legislation they produce. I welcome the development of the second Chamber, where these issues can be speedily aired rather than having to find time in an overcrowded timetable in the first Chamber. I am hopeful that important matters will be considered. Only three or four Members of Parliament may have an interest in mobile pumps, but they are important to the industry, and thus to society.

The Queen's Speech contained various measures on the development of enterprise. I shall not repeat the points made by my hon. Friends the Members for Wolverhampton, North-East (Mr. Purchase) and for Burnley (Mr. Pike). I endorse what they said about the measures for business. This is positive and progressive legislation, and it should not be political. I do not think that it will be, but we must be careful that what we do not adversely affect other interests.

That leads me to the point about which I got up to speak. I declare an interest, as a practising lawyer. Certain matters in the Gracious Speech cause me some anxiety. I put on record my concern about the reference in the Queen's Speech to the fact that those on community service who do not comply may lose their benefit. We should think that through. If a thief does not do his 80 hours' community service and his benefit is taken away, what will he do? He will become a thief again. That is not productive. We already have in place procedures

whereby he can be called back for breach of his community service, brought before the court and re-sentenced. There is already a sanction.

Mr. Don Foster (Bath): As a lawyer, will the hon. Gentleman advise the House as to whether, in addition to the concerns he has already expressed, there is a potential problem with double jeopardy?

Mr. Bermingham: There is indeed, and that is another matter that will have to be examined against the European convention on human rights, which becomes effective in our law on 1 January.

I welcome the reconsideration of the whole question of the interception of telephone conversations. Some years ago in the House, the then Home Secretary acknowledged that, for some years, every conversation between the UK and America had been automatically intercepted through Government communications headquarters, Cheltenham and recorded, with certain sounds and words acting as triggers. One understands that, but the libertarian aspect must be taken into consideration.

Mr. Fabricant: I am sure the hon. Gentleman is correct. However, is he aware that it might not be only GCHQ that monitors transatlantic conversations, but that another country—which I shall not name today—does the same from within the United Kingdom?

Mr. Bermingham: I am aware of that, as I am of the various methods used. I am also aware of the 1986 case of Regina *v.* Preston, which appeared to sort out the issue, but which the Court of Appeal has varied and circumvented ever since.

I understand that surveillance is often necessary in the interests of national security, and in major drugs and other criminal cases. However, intrusive methods have been used or are being developed that have nothing to do with police action, but are privately used, and they cause great havoc in the personal lives of certain persons. It is quite possible to use a boom mike to pick up a conversation taking place behind a window hundreds of yards away, and that is the sort of thing that needs to be examined. I await with interest the details of that legislation. The Queen's speech mentions

"the protection both of the rights of individuals and of society as a whole."

The time has come to strike that balance once again. I am not speaking solely about investigations of criminality; in certain cases of investigative journalism, the balance has been tipped the wrong way. In the recent past, we have seen some horrendous examples, which I do not need to spell out in detail.

Similarly, I am somewhat concerned about anti-terrorist legislation, especially in the light of what I have read recently. Of course terrorism must be combated and we have a duty to return to the issue, even though—fingers crossed—it appears that the original cause of the Prevention of Terrorism Acts, starting in 1974, might be resolving itself. I shall not tempt fate by saying any more than that: as one who was born and bred in Ireland, I do not raise the subject without reason.

Tonight, I raise the subject because I read in the newspaper that the scope of the proposed anti-terrorism Bill might extend beyond strict definitions of terrorism—blowing things up for political reasons—into what one might call the land of the eco-warrior and of the protester. We must be extremely careful when distinguishing between terrorism and disruptive behaviour. When does protest cross the narrow line? We must watch that line carefully, and I put down a marker tonight to the effect that I have reservations.

I welcome the extension of anti-terrorism powers, but as I have said many times before, if someone blows another person up, whether it is done for political or personal reasons, the fact is that blowing someone up is a criminal offence. One must be careful not to create a new type of criminality: when a person is injured or personal property damaged or destroyed, an offence has been committed and there can be no justification for it; the ordinary criminal law is adequate to deal with almost every such case. However, I recognise that some exceptional cases, often connected with religious or racial conflict, transcend the normal criminal law and require special treatment.

My final concern arises from the fact that 20,000 trials by jury will not take place. We are going to restrict the right to trial, and that is a matter that should cause concern to any person with libertarian feelings. Let us consider the reasons for the measure. People usually elect trial because they believe that they have a better chance in front of a jury than in front of a magistrate. I shall not debate the merits of that decision tonight—we can discuss it in due course. My question is, to whom should we give that choice?

Are we to have a two-tier justice system? Will a person accused of a certain sort of crime get a jury trial, whereas one accused of mere theft—an accusation that can affect one's credibility, job prospects and entire future—will not? Are we going to tell the accused that if more than £15,000 is involved, he will get a jury trial if he wants it, whereas a person accused of stealing less than £15,000 will not? Where are we to draw such an arbitrary line and how can we justify the decision? How can we create a system in which certain types of people are entitled to a certain type of trial, but others are not?

The example of such a system not causing any problems in Scotland has been trotted out. Trouble is, Scots law is different from English law: there are different burdens of proof and different outcomes are possible—for example, that of case not proven.

Mr. David Taylor: As a magistrate, I have seen each-way cases go on to the Crown court, where barristers such as my hon. Friend operate. In the great majority of such cases, the defendant does not sustain the plea of not guilty made to my colleagues and me. Surely something must be done to tackle that phenomenon?

Mr. Bermingham: I thank my hon. Friend for raising that point, because it is exactly the one to which I was coming. That has been the perceived problem: it is called a cracked trial, because the defendant pleads to offences different from those on the original indictment.

One of the problems of the system is that, when a case is committed for trial in a magistrates court, one is given a pleas and directions date, usually three to four weeks hence. At that stage, one pleads to the indictment that was drawn for committal. The problem—let us make no bones about the fact that it is the fault of the lawyers—is that,

[Mr. Bermingham]

because payment rates for both prosecution and defence are so low at that stage, people take on whole wodges of cases, but do not always do their own cases; therefore, it is extremely difficult to get agreement on possible alternative charges.

There are two solutions to the problem: make the period longer and, to put it bluntly, make it worthwhile for the prosecution counsel to turn up. That way, they will have been briefed early enough to be in a position for the defence to say, for example, that the accused will plead not guilty to theft, but will accept a handling charge. That is often what happens: it is a cracked trial, but a guilty plea is entered and a lot of money saved.

I have made this point time and again in a professional context, and it is understood by the profession. I believe that the savings sought from the proposed measure amount to £100 million or less. That may sound a lot of money, but we run the risk of allowing two types of justice to operate, and we run the risk of being condemned in that regard. We run the risk of allowing people to be convicted when they should not be convicted if we take away the ancient right of trial by jury.

Savings could be made if only people would stand back from the situation for long enough and look at it carefully. I accept that some cases are so piffling that they should never go to trial; my hon. Friend the Member for North-West Leicestershire (Mr. Taylor) knows that too. Such cases, and their disposal, can be dealt with in the present circumstances. However, if we think long and carefully enough, we shall find that considerable savings can be made at the point at which it is decided whether or not to take a case to trial. Some cases—I have been involved in them—are extremely complicated, running to 20,000 or 30,000 pages. Do we really need cases of such complexity?

I attempt no special pleading tonight—others will probably do that far more eloquently than I could at a later stage—but I must say that the proposed Bill causes me some concern, and I therefore put a marker down. No doubt the Whips will note that, but they probably expected it in any event.

I end where I started. Overall, this was a good Queen's Speech. I do not say that because it was written by the Government; I apply the tests that I have applied to every Queen's Speech over the years. It contains much useful, constructive matter. Of course we shall all pick and choose in regard to its contents, but I think that, in a year's time, the law will be that little bit better, and—with a bit of luck—society will be that little bit freer and better off.

8.31 pm

Rev. Martin Smyth (Belfast, South): I appreciate the opportunity to speak. Like the hon. Member for St. Helens, South (Mr. Bermingham), I think that there is quite a lot in the Queen's Speech. How it will develop is a matter for the House to decide, but hon. Members on both sides of the House to whom I have spoken today agree that, given the number of Bills proposed, it is possible that the European working time directive may be debated here. Let me enter a caveat: I trust that the Government will not continue to guillotine Bills, and that they will give us an opportunity to examine and expose failures in legislation. Under Governments of both persuasions, the House has often had to deal with 150 or so amendments on Report of a Bill. We really need time to scrutinise legislation properly.

I share the concerns that have been expressed about small businesses. Again, I must enter a caveat. Quite often, the Inland Revenue has allowed PAYE and national insurance contributions to mount up, and then has suddenly closed in. Other small businesses that were trading profitably have suddenly been caught because they were not warned that liquidation was imminent.

Some years ago, I pressed a Foreign Office Minister about the way in which even the Foreign Office presented some of its accounts. I am harshly cynical at times, and I believe that accountants have been trained to conceal rather than to reveal. At times, it is difficult to establish the real substance of reports. I would welcome clarity, especially for the purposes of small businesses.

I did not altogether go along with the plea of the right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) in regard to sexuality. I appreciate that we must make allowances for people's sexuality, but there must be restraints on it at times. After all, only a week ago we discovered that all that Glitters is not gold. It is important for us to protect younger people, and I welcome the reintroduction of legislation for that purpose, although I am not convinced that equalising the position by lowering the age of consent is the best option.

I feel that our society is becoming a bit like the British railways: too many red lights have been passed, and more difficulties and damage are being caused to society as a whole. We should exercise caution, because, whether or not we like to admit it, we are living in an age in which people do what they want without the restraint of law. Most of us have committed the sin of parking in the wrong place, or driving over the speed limit. When a traffic warden approaches us, or a police officer stops us, we say, "It is the first time that I have done it." What we should say is, "It is the first time that I have been caught." Most of us in that aspect of life reflect a dangerous tendency in society.

Having said that, I welcome quite a number of the Bills that are to be introduced, but I wonder whether, in relation to the protection of children, we have completely examined the role that we are giving to social workers. With the protocols and pressures that have been put on them, many of them cannot handle their case load; there are not enough of them. I know that others will say that there are too many social workers, but most social workers with whom I have been involved in Northern Ireland have been of the highest calibre. I readily admit that, as in any society, some do not do their work properly, but I wonder whether we ask them to do too much with all our regulations.

I speak also of the ageing population. Today, some have paid tribute to the free television licence for the over-75s. Perhaps they were being more realistic and had done the accounting. I do not know whether the Chancellor of the Exchequer has worked out the sums accurately, but they were easy to work on because a high proportion of those who are over 75 are in residential homes, where they are already entitled to free television. An interesting point is whether we should look at the

pensioners who are younger than that, but living on the lowest income—they should have free television as well.

Mr. David Taylor: Would the hon. Gentleman accept a correction? I believe that three quarters of those who are 85 or over live independently and only a quarter live in the type of accommodation to which he has referred.

Rev. Martin Smyth: I welcome the correction. The hon. Gentleman said 85, unless my hearing was wrong, but I am talking about those who are over 75. I am dealing only with what was reported to me. It is an aspect that I should like to press. Some of us have been arguing for a long time that free television should be provided for those who live alone, or who have just the bare pension income; sometimes, they have a small pension that is over and above the state pension, which takes them out of the benefit system. They are the folk who are squeezed most.

On terrorism, I share the views of the hon. Member for St. Helens, South about the normal criminal law. Under the prevention of terrorist legislation, some criminals are better off in Northern Ireland than ordinary, decent criminals because they can get out now: they have committed their crime for a political purpose. Again, we are giving the wrong signals to society.

I know that there are those who have not been happy with the contribution from the hon. Member for North Antrim (Rev. Ian Paisley), who brought some realism to the expectations. I was interested because the media told us last night that it is the Labour party's standard policy that its members and councillors should abide by its manifesto. Apparently, those of us in Northern Ireland who have abided by our manifesto, on which we were elected by the people, should set that aside.

Significantly, on Monday, a Minister in the Dail announced a pension for survivors of the war of independence and, today, the IRA talks about the continued fight for freedom. There is that mentality. It is interesting to note that the IRA has said that only when the Executive and the institutions of the Good Friday agreement have been set up will it appoint an interlocutor to meet General De Chastelain. In fact, there will be two interlocutors—one is already there and will continue to represent Sinn Fein and whoever represents the IRA will join him. Unless that position is changed dramatically then, as I understand the legislation, the only folk who can put people out of the Executive are the Members of the Assembly. It is done on a proportional basis which means that at least 50 per cent. from the Unionist side would have to vote to put out somebody from a Unionist background who was misbehaving and 50 per cent. from the nationalist side would have to vote to put out somebody from that side who was misbehaving.

I urge the House to treat these possible promises with a degree of caution before becoming too enraptured by the words of those who have not yet delivered. We must remember that the people of Northern Ireland have already been misled by the clear handwriting of the Prime Minister. Perhaps he forgot that there is a decent education system in Northern Ireland and that people can read and understand plain English. He has not abided by his commitment.

Mr. Harry Barnes (North-East Derbyshire): Would it be helpful if the Social Democratic Labour party said that, in the circumstances that the hon. Gentleman described, it would exercise its vote to remove Sinn Fein if IRA decommissioning had not taken place?

Rev. Martin Smyth: As usual, the hon. Gentleman has been helpful. Some of us have been pressing that argument for some time, even on the Floor of the House. It may be a way forward to say that constitutional nationalists and constitutional Unionists who want to abide by the ballot box rather than terror and the gun should work together.

We must remember that, even in the House there are different parties with different emphases and different ideas. We can come together on some common interests but, on bigger interests, there are diversities. It would be wrong to imagine for one moment that any specific party in Northern Ireland will surrender its basic objective. However, there are those who would work together for a common good.

I have had the privilege this year to work on the parliamentary police scheme and have spent time with the Royal Ulster Constabulary. I recognise that there are things in the Patten report—the independent commission report—for which the RUC has been asking for years. Because finances are restricted, those things are now being used as bargaining points to let the political details take over. The House should pay tribute to a force that has withstood terror from whatever source and that, within its ability, has dealt with law-breakers from wherever they came. That force is having to forgo its title and insignia to placate militant terrorists and the House should keep that in mind in the coming legislation.

I welcome some of the measures in the Queen's Speech, but I advise the House that we should treat some issues with a great deal more care. We have been building up people's expectations. I was given cause for alarm by what I believe was a promise to improve the education facilities for disabled young people. I welcome that but, in the past, we have passed legislation and then left schools to work things out without adequate finance.

Local school management has sometimes seemed to be a tremendous innovation, but some schools have suffered because of new pressures and changing population numbers. The inside of one school in my constituency, for example, has not been decorated for 21 years. There is something wrong with Governments who pride themselves on providing the best for children, but who leave them in such conditions. I trust that, in the coming days, we shall have time to explore those issues.

I welcome the Gracious Speech and its positive note. Nevertheless, hon. Members will all, each from our different perspective, watch with care developments on the matters affecting us most.

8.45 pm

Mr. Harry Barnes (North-East Derbyshire): It is always a pleasure to follow the hon. Member for Belfast, South (Rev. Martin Smyth), which I often seem to do in the House. He and I sometimes disagree on what are called moral issues. We wrote conflicting articles, in *The House Magazine*, on the issue of abortion in Northern Ireland, and we hold opposing views on the age of consent. I take a more libertarian stand on those issues. Nevertheless, on social issues—some of which he mentioned—and disability issues, our views are often very similar.

[Mr. Harry Barnes]

I am interested in Northern Ireland affairs. The hon. Member for Belfast, South and I probably agree on some issues affecting Northern Ireland, but disagree on others. I should like there to be considerable advance in the peace process. He not only mentioned the IRA's disappointing response to the agreement made with the right hon. Member for Upper Bann (Mr. Trimble), but rightly said that we needed a statement allowing advances to be made. On other issues and problems affecting Northern Ireland, the hon. Gentleman and I do not always see eye to eye, but he probably has much more experience of them than I do.

Considering the Queen's Speech is rather like looking through a glass darkly. Although we are able to discern some things on the other side of the glass, they are open to interpretation. Some hon. Members have strong views on issues and possible proposals, but the position is not yet fully established. Although we have heard a Queen's Speech that contains headline proposals, in coming days, we shall be hearing statements to elaborate on those proposals.

As we also know, Bills and provisions have already been drafted. Nevertheless, those provisions may still be changed dramatically before they are introduced in the House. That is especially true, in Northern Ireland, of the Patten report. The Gracious Speech states:

"A Bill will be presented to implement proposals from the Independent Commission on Policing, following the completion of consultation."

On one interpretation, therefore, the House may be asked to implement the Patten proposals without cherry-picking. Conversely, based on the results of the consultation, we may be asked to implement very different proposals. In response to an early-day motion on the Patten report that I tabled, the Secretary of State for Northern Ireland wrote to me and said—quite helpfully, in the current circumstances—that the matter was by no means closed and would not be dealt with hastily.

Rev. Martin Smyth: Before the summer recess, I asked for a debate on that matter in the spill-over period, so that hon. Members might have a chance to express our views on it. We have not yet had such a debate, but I hope that we shall have one before a Bill is introduced.

Mr. Barnes: I agree that it would be useful to have a discussion about the Patten report and its complexities. The hon. Gentleman has already mentioned some of the points that the Royal Ulster Constabulary has raised. Parts of the report are consistent with the seemingly more moderate report of the Select Committee on Northern Ireland Affairs. On other issues, it is more problematic. Will the local policing bodies merely be local consultative bodies or are they intended to be something more? Some clarification on that would be helpful. I know that there is a feeling that we should not rock the boat at the moment because there are delicate discussions taking place, but sometimes debates in the House can tease out issues and develop positions, resulting in a synthesis in discussions, as we can give matters serious consideration and many hon. Members have a lot of relevant experience.

I was using the Patten report as an example of an area in which we are not sure what the Queen's Speech will mean, because things might turn out to be different from how they currently appear. That is of considerable interest to me, because in the last two weeks of the previous parliamentary Session, I voted against the Government 10 times and abstained on another occasion. I wonder which of the measures in the current Queen's Speech will test my patience too much when it comes to the crunch. I see that there will be measures on the Post Office and air traffic control. They might lead to me being unhappy with what is presented, but there is a long time to go. There will be debate and, hopefully, reflection on the arguments that are put forward and there is a chance for some proposals to be moderated.

Mr. Don Foster: Does the hon. Gentleman agree that any attempt to part-privatise National Air Traffic Services should be of real concern to the House, because the entire service is fundamentally bound up in the safety principle and any introduction of the motive of profit would undermine that?

Mr. Barnes: That is my traditional attitude on such issues. I am even more solidly behind that attitude than the Liberal Democrats, because I am a democratic socialist. As a young man who wrote letters to the local newspaper, when I was in conflict with others who argued the case for private enterprise, the Post Office was my crunch example of an area that required public control. That seems sensible and logical, and the arguments are very much in my favour. The notion of privatising or half-privatising the Post Office is unacceptable. Some of those details will come out later.

The introduction to the Queen's Speech tells us about the past rather than about future legislation, expressing the Government's philosophy. That presents some problems for me. The second paragraph says:

"My Government's aim is to promote fairness and enterprise".

Those two ideas run alongside each other. I can see some sense in combining them, but a lot of shorthand language is used in the Queen's Speech—and often in speeches from the Front Benches.

Promoting fairness and enterprise really means the third way: the notion that the freedoms of the market and of enterprise can be co-ordinated with social justice rather than having a compromise between two distinctive approaches. I do not believe in that. The Labour party was not traditionally a left-wing socialist party—it was labourite and concerned with trade unions and social welfare—but it offered hope to democratic socialists.

The Conservative party was the party of free enterprise, but not always to the nth degree, as it moderated its policies after the war, following the Attlee Government, and adopted changes under the reports of Butler and others; but under Thatcherism it adopted that policy wholeheartedly.

The party of partnership, trying to square the circle and reconcile the labourite and capital interests, was the old Liberal party. The philosophy propounded under new Labour as the third way is old Liberal. I am not in the old Liberal, but in the democratic socialist camp. As a democratic socialist, I am happy about some aspects of the Queen's Speech.

The speech refers to

"stable levels of economic growth and employment",

and my right hon. Friend the Prime Minister spoke of the decline in unemployment and the fact that more people are employed now than ever before. I also applaud the

new deal, the national minimum wage and the working families tax credit. That credit is better than what existed before, but other methods might have been considered that did not involve making telephone calls and claiming. The Liberals, in one of their more progressive moves, discussed negative income tax with those of us with democratic socialist feelings.

On the other side of the coin of those measures of social advance are innovations such as 10 per cent. corporation tax—not quite the sort of thing that democratic socialists favour, except that we realise that there are pressures in the era of global competition in capital markets. We would not necessarily have wanted to be associated with measures such as the independence of the Bank of England and the central European bank reforms.

The Queen's Speech will produce much legislation of which we can be proud. It speaks of

"building on the establishment of a Disability Rights Commission"

and the work done on that has been outstanding, but we need to tease out what is meant. Does it mean merely that we have a commission and it will do some good work, or that we will produce further concrete measures?

To its credit, the speech contains some measures for disabled people, even if they are not spelled out. There will be access to polling stations for people with disabilities. Some of us might want to push the proposals a bit further, but the Bill will represent an advance for the interests of disabled people. They should have the same right as able-bodied people to exercise their right to vote at a polling station if they so wish.

Will the Government's proposals lead further? Ministers have made statements on disability and there are signs that full civil rights for disabled people, which several of us have proposed in Bills introduced in the House, will be on the cards. I hope that they will be on the cards in the coming Session.

Transport has been discussed. The right hon. Member for Penrith and The Border (Mr. Maclean) said that too much pressure was being used to discourage people from using cars and that people would not be able to get about in rural areas. The Government want to contain the use of cars and propose

"a modern integrated and safe transport system"

When I, from my democratic socialist background, hear the term

"modern integrated and safe transport system",

I think, "That's okay. I want to get involved in that." I just want to see the details so that we can push the proposal further.

Problems in the rural areas of my constituency were created by measures such as bus deregulation. We now face massive problems with the bus service. Sheffield and South Yorkshire are just to the north of my constituency. When South Yorkshire Transport held transport costs down year after year, people were able to travel very cheaply. It was a fantastic system and people kept their cars at home. They could get off one bus and on to another, and it was possible to reach different places. Strategic planning in South Yorkshire was based on that popular bus service. However, the Thatcher Government's measures on bus deregulation attacked that system and, at one stage, bus after bus clogged up the centre of Sheffield while no buses came to the rural areas of my constituency. Providing a service to rural areas was not considered to be profitable unless it was subsidised by the county council.

I would have had an Adjournment debate on bus services on the day that the House prorogued if we had managed to keep business going until the Friday, but I lost my debate. However, I hope that I will be able to return to the subject on a future occasion, because traffic commissioners are taking a serious interest in the problems that exist with Stagecoach's operation of the buses in the Chesterfield and Mansfield area. It has 60 per cent. of the bus routes in that area, but buses do not turn up, they are late and they miss out certain areas because drivers have to meet unreasonable timetables. Those points are relevant to the Bill mentioned in the Queen's Speech that

"will contain measures to improve bus services and reduce road congestion."

We also face considerable road congestion in the town centres in which bus services attempt to operate.

The speech refers to

"modernisation for health and social care".

Certainly, my constituency faces problems in that regard. For example, my constituent, Anita Froggatt, had a breast removed in error because of a mistake made at Chesterfield and North Derbyshire Royal hospital. A report has been produced on such untoward incidents at the hospital and I am waiting for a Minister to tell me the Government's feelings on the issue. However, I think that the report's investigation was entirely inadequate and its recommendations fail to tackle the problems that existed there.

I was most enthusiastic about the following part of the Queen's Speech:

"My Government will also bring forward a Bill to reform our electoral procedures to make it easier for people to participate in elections."

The Liberal Democrats should realise the significance of that sentence. While they support the principle that every vote should have the same value, they need to realise that the principle can be achieved only if every person has a vote. That is not the case for the millions of people missing from our electoral register because of our ancient system of registration. What was appropriate at the start of the 20th century is no longer appropriate today.

The Government intend a rolling register, allowing for the registration of homeless people, who currently find it almost impossible. There will also be increased access to polling stations. These important measures are rightly being taken at the mid-point of a Parliament, between elections. If we left it later, it would be too late to get people on to the register. Traditionally, people only begin to take an interest in this problem when an election is due, and it can be difficult to stimulate concern.

I have been involved with this matter since the poll tax was introduced. I realised that the poll tax would adversely affect electoral registration. When I started to argue the point, I realised that much else was wrong with our dated system in a society more mobile and rootless than the one it was designed for.

The hon. Member for Lichfield (Mr. Fabricant) mentioned standard spending assessment problems. It is a pity that that point was not covered in the Queen's Speech. Apart from a few amendments, the system is based on the Local Government Finance Act 1988, which introduced the poll tax. The only significant change since then was the replacement of the poll tax with the council tax, which is

[Mr. Barnes]

just a pale version of the poll tax. Arrangements for the national business rate and mechanisms for the methodology that determines SSAs remain.

The Government have said that it will take three years to produce fresh legislation for this complex area. A year has passed since then, and the forthcoming SSA local finance statement will contain only marginal adjustments. We must wait two more years before there will be some change, but massive injustices exist. In education, the top-slicing of money under the area cost adjustment is an example. In North-East Derbyshire, an exaggerated emphasis is given to the enhanced population figures, meaning that much money is transferred to other areas where people work rather than remaining in the residential areas. I argue not that the principle should not apply, but that the weighting is excessive.

The Queen's Speech suggests that we should press for economic reform and enlargement of the European Union. We should look first, however, at political and democratic reform. A body that takes to itself more and more power and authority—despite arguments about subsidiarity—is not adequate as we enter a new millennium in a group of democratic nations. We should have a democratic, federal and social Europe. Enlargement, monetary union and other issues would then become easier to operate because they could be determined democratically. Nations could make decisions about matters that are relevant to them, and the European Union could, through its parliamentary institutions, make decisions about matters with which it should be concerned.

I am sorry that the Queen's Speech does not include some subjects; other items can be extended and developed, and others are worrying. However, I shall not know how many times I shall be tempted to rebel until the parliamentary year is over.

9.10 pm

Mr. Tom Brake (Carshalton and Wallington): It is a pleasure to follow the hon. Member for North-East Derbyshire (Mr. Barnes). There will be much common ground between our speeches, but I suspect that that will be more harmful to his political career than to mine. However, I shall not follow him on the path to democratic socialism, however integrated that path.

It is tempting to comment on all the speeches that I have heard in the past six and a half hours, but if I did that I would detain hon. Members longer than they would like. Apparently, an important football match is being played and some hon. Members may want to return to it. I am pleased that the hon. Member for Middlesbrough (Mr. Bell) is back in the Chamber because I want to comment on his astonishing bout of pathological hatred for proportional representation and fair votes. His hatred is possibly for the Liberal Democrats. Perhaps it is due to something that happened to him in childhood and he would like to talk to me about it in private.

At the time of the next Queen's Speech, we will be only months away from a general election. Therefore, today's Queen's Speech constitutes the last opportunity for the Government to make their legislative mark before their programme degenerates into a snowstorm of pre-election sweeteners and preposterous promises. Have the Government made their mark in their last genuine full programme? In many ways, they have. The Queen's Speech can best be described as the good, the bad and the ugly. Many hon. Members have already identified those aspects of the Speech.

First, let us consider the good. The Liberal Democrats welcome the reference to wildlife protection, which we support. We also welcome the Government's proposals for the Strategic Rail Authority. Now, let us consider the bad—other hon. Members have mentioned the proposals for National Air Traffic Services. Linking the partial privatisation of NATS to other provisions in the transport Bill will create major problems: not only opposition from Liberal Democrats, but from Labour Back Benchers. Another bad aspect of the Queen's Speech is the proposal to tinker with the Child Support Agency. We should not tinker with it, but scrap it.

The ugly is represented by the Freedom of Information Bill, which provides for little freedom and little information. Another example of the ugly is the proposal to reduce access to trial by jury, which other hon. Members have also mentioned. Ugliest of all is the absence of a measure to ensure that, this winter, patients will not be trussed up on trolleys and packed into corridors as they wait for treatment in the local accident and emergency unit at St. Helier hospital in my constituency and other hospitals around the country. The Queen's Speech proposes nothing that will prevent patients from continuing to wait for operations for unreasonable lengths of time, which leaves them in a debilitated state.

There is also silence on what is said to be the Government's priority—education. Last night I visited Wallington high school for girls, which is fighting a hand-to-hand battle with its budget. It finds it extremely difficult to make ends meet, and I am afraid that I see nothing in the Queen's Speech that will change that.

I shall now dwell in a little more detail on the environment. I am glad that at last there is a transport Bill in the Queen's Speech, but I hope that it will not be too little, too late. Like many hon. Members, I have spoken about the need to invest in public transport to reduce the volume of traffic on our roads. The rising number of letters from my constituents who daily are frustrated by the deficiencies of the train and tube network confirm that action is long overdue. Nowhere is that more important than London. It is therefore regrettable that the London underground, the key part of London's transport system, is not mentioned in the Queen's Speech.

It is also regrettable that no action has been taken to change the Treasury's inflexible approach to the funding of services such as the London underground. The Labour-dominated Select Committee on the Environment, Transport and Regional Affairs says that that inflexibility has

"forced the adoption of this form of public/private partnership, which is a rather convoluted compromise, when other financial solutions might have been more cost-effective."

The Queen's Speech should have contained proposals for the establishment of a public interest company or trust that could raise money through the issue of bonds to run the London underground and possibly other systems such as NATS. That has been done in many other cities in the world, so there is no reason why it could not be done here. The proposal to allow the future mayor to issue bonds is supported not only by Susan Kramer, the Liberal

Democrat candidate for mayor of London, but by the Conservative candidate and the hon. Member for Brent, East (Mr. Livingstone), who appears to be the choice of Labour activists if not of the Millbank hierarchy.

Londoners will be disappointed that action on the tube is so conspicuously missing from the Queen's Speech. I suspect, too, that many Members will be disappointed by the presence, rather than the absence, of another transport measure—the part-privatisation of NATS. Several Labour Members have already expressed their concern about that proposal. I doubt whether the Conservatives agree with it either; I am sure that they would prefer to privatise NATS entirely—a full 100 per cent. privatisation rather than the 51 per cent. that the Government propose.

Other Members, including no fewer than 160 Government Back Benchers, are worried about the safety implications of a NATS sell-off. They have said as much by signing an early-day motion, and I do not believe that they will be duped by any change of language. To me, if 51 per cent. of a public-private partnership is private, a privatisation has taken place; we could describe it in no other way.

The most important requirement for air traffic control is to ensure that new air traffic control centres are built as quickly as possible, whether they use the system being developed at Swanwick or that which will be developed at Prestwick. Both should be brought into operation without further delay. That, not privatisation, is what NATS should concentrate on now, because further delays will compromise safety.

I confess that I am at a complete loss to understand the Government's motive in privatising NATS. I do not think that such a privatisation can be justified on the same ground as previous privatisations—raising revenue—because air traffic services is paid for by the airlines. If the Government's main aim is to allow private money to be invested in the system, they should have considered the option of turning NATS into a publicly-owned company or trust. That has been tried and tested in other countries, and it works. Why did not the Government consider it? If they push ahead with NATS privatisation in the face of strong opposition from unions, pilots, Labour Back Benchers and Liberal Democrats, it could become this Government's poll tax.

The subject of wildlife protection has been debated five or six times in the past 12 or 18 months. I am pleased that the Government have listened to the 349 hon. Members who signed an early-day motion calling for wildlife legislation. However, I am concerned that, if this wildlife protection measure is linked to a wider right to roam or access Bill, the legislation may get severely bogged down—excuse the pun. The fact that there is all-party support for a wildlife Bill would enable such a Bill to progress swiftly. It is also supported by many environmental organisations, such as the Royal Society for the Protection of Birds.

The legislation will need to be comprehensive. It will need to look not just at sites of special scientific interest but at the areas surrounding such sites. It will need to include marine sites for peat bogs. I understand that even if the Government proceed with wildlife legislation, that issue might not be tackled in any Government legislation. That would be a major failure.

I draw the House's attention to two glaring omissions in the Queen's Speech. The first is the absence of a carbon dioxide reduction Bill, which would commit the Government to meeting their so-called aspirational target of reducing carbon dioxide emissions by 20 per cent. by 2010. The second is the absence of a warm homes Bill to eradicate fuel poverty over the next 15 years. That would help the 8 million families in Britain who struggle to heat their homes.

Those two omissions reveal the fatally flawed nature of the Government's legislative programme. The Queen's Speech was long on popular soundbites, but short on long-term visionary policies.

9.23 pm

Mr. Brian White (Milton Keynes, North-East): The hon. Member for Carshalton and Wallington (Mr. Brake) started his speech by asking why my hon. Friend the Member for Middlesbrough (Mr. Bell) had made the comments that he made. He then proceeded to demonstrate why my hon. Friend's comments were valid. His churlish speech did not recognise or set in context the Government's many achievements. I could understand his complaining had we done nothing, but we have done an awful lot. He mentioned a warm homes Bill, but forgot to say that one of the Government's first actions was to reduce VAT on fuel by 5 per cent. The hon. Gentleman was simply nit-picking. The Liberal Democrats ask for a certain amount for education; when the Government give 10 times as much they ask for a bit more. That destroys their argument about inclusive politics.

Some of the earlier speeches from Members on both sides of the House were quite positive. I hope that the 21 schools mentioned by the hon. Member for Belfast, South (Rev. Martin Smyth) do not include the one that I went to.

What I find strange about this place is that we are always ready to rush to make new legislation. The Queen's Speech contains 28 Bills, but many of those correct mistakes made in previous legislation. They are not about ideological splits; they tidy up problems that previous legislation has caused. The Child Support Agency is a classic example, but many of the other Bills are intended to tidy up other problems. The House would do well to review the effect of its legislation so that the tidying-up exercise is more effective—many of those exercises are desperately needed. The legislation in this Queen's Speech will start to transform the country. The Bills, in particular those dealing with local government, transport and crime, are long overdue.

Last year, I contributed to the debate on the first day of the Queen's Speech, and I welcomed the fact that there was to be an e-commerce Bill. For the rest of the Session, I kept quiet to ensure that I could speak on the Second Reading of that Bill. Four internet years have elapsed—one internet year is about three months—which is the equivalent of a whole Parliament in internet time. A vast amount has happened to electronic commerce in that time. Freeserve had only just been introduced then—now it is commonplace.

I plead with the Government to recognise the speed of the change being brought about by e-commerce. I commend them on the way in which they have listened to the business community and on the decision to remove part III of the proposed Bill and make it the subject of separate legislation. They have acknowledged that digital signatures and kitemarks are the way forward. The legislation will deliver what the Prime Minister has asked

[Mr. Brian White]

for—that this country should be the leader in e-commerce business. We were one of the leaders in electronic data interchange. The same could happen with the internet and we have the necessary advantages to make that happen.

I was pleased that the Bill to promote e-commerce was the first legislation to be mentioned in the Queen's Speech as it is the key Bill in the Session. If we get it right, as I believe that we will, it will transform the landscape for many companies. They may not think that the legislation applies to them, but it does and it is very important.

I also appreciate the fact that the Government have linked electronic commerce and electronic government. The targets for modernising government electronically were set when it was reasonable to talk in terms of years. Those targets must be revised in the light of the changes and must be accelerated. The Government's response, with the appointment of an e-envoy and an e-Minister, who is also linked to small businesses, is a positive step forward. The e-commerce Bill is critical and should be introduced at the earliest opportunity.

I am particularly pleased about the investigatory powers Bill and the fact that that aspect of the law is to be reviewed because it is muddled. I also welcome the legislation on the interception of communications, which will take into account the civil liberties issues that my hon. Friend the Member for St. Helens, South (Mr. Bermingham) mentioned and the changes that have taken place. It will protect people who use the internet. All of those issues are critical. The regulation of investigatory powers is particularly important.

The hon. Member for Lichfield (Mr. Fabricant) talked of learning from the American experience, which is very relevant to investigatory powers. Some of the tests to which American regulatory authorities are subject before they intercept communications and so forth—the evidence that they must put before judges—are important and should be repeated here.

I was surprised and delighted to see in the Queen's Speech a Bill to deal with Government resources and accounting, which will change Government accounting methods. The hon. Member for Carshalton and Wallington and my hon. Friend the Member for North-East Derbyshire (Mr. Barnes) mentioned, with varying degrees of scepticism, private partnerships. One problem is that Government accounting methods, the Treasury rules and the Treasury legislation of the 1920s and 1930s all make it hard to innovate in a modern Government. That inhibits risk taking and new forms of enterprise and stops the public-private partnerships. It hurts the private finance initiative.

We must change the rules so that we can compete on a level playing field with other European countries. I often cite the example of Stockholm city council, which decided to cable all of Stockholm and then allow any company that so wished to compete. It set up a private company whose shares were 100 per cent. owned by the city council. The company went to the Swedish stock exchange, raised the billions of kronor needed, cabled the city, opened it up to competition, got the revenue in and repaid the debt. The citizens of Stockholm benefited, and continue to benefit to this day. It was all done in two or three years. If we wanted to do something like that, we would have to set up a company 51 per cent. owned by the private sector simply because the accounting rules dictate it.

Mr. Brake: What the hon. Gentleman described in Stockholm is exactly the model for London Underground that we and the hon. Member for Brent, East (Mr. Livingstone) propose.

Mr. White: The hon. Gentleman tempts me into a London debate, but I shall resist, not being a London Member. I emphasise that there are new ways of looking at public-private partnerships. If Government accounting methods were to allow that and the proposed partnerships UK body took it forward, it would benefit the country enormously, at national and local government level and in respect of other bodies. It is critical that we reform accounting methods.

I sat on a trust that was set up as a result of the wind-up of the Milton Keynes development corporation. I and a Tory councillor from a local government background were quite happy with the accounts as presented. A local store manager, an accountant and two or three other business people could not understand them. If there is one Bill in this Queen's Speech that will help the Government's modernising agenda, it is the Government resources and accounting Bill. I commend that, but we need to go further. We must promote innovation and risk taking. Some of the rules that we have inherited have been around since Gladstone's time and need to be modernised to allow that.

I welcome the local government Bill and the fact that the Government have recognised the need to reform the structures of local government. The e-commerce Bill will also mention e-government. The role of e-government in linking Government and local government through electronic means is a vital part of that.

The new roles must reflect local circumstances. What is right for the city of Manchester is not necessarily right for rural Derbyshire or a town in the south-east of England. Local circumstances must not be put in neat Whitehall boxes but must reflect local situations. I welcome the fact that the Bill will deal with outcomes and ensure that the leadership role in that structure focuses on them. Too often, local government has been about measuring inputs.

An essential part of the modernisation of local government is creating accountability, particularly with the electoral changes that my hon. Friend the Member for North-East Derbyshire discussed. Not only local government but all bodies must be more accountable to the people who put them there. They must focus on delivering services in a much more structured way, although not necessarily directly. That is the key. The Bills all interlink and they allow us to gaze on a new vista of how public services can and should be provided.

I welcome the Bill to establish the Learning and Skills Council. I believe that it will build on some of the work done by good training and enterprise councils. Not all TECs were good, but some were. I hope that the Learning and Skills Council will build on their work. It should recognise the regional dimension and establish a link with the regional development agencies' economic development plans to provide training in the skills that are required in each region.

Mr. David Taylor: I believe that my hon. Friend was present when my hon. Friend the Member for St. Helens,

South (Mr. Bermingham) referred to the difficulties in the north-west. He said that the colleges of further education produced the trained staff necessary for certain types of enterprise, but that those enterprises did not exist in the north-west, so that, in certain circumstances, the TECs were providing students with a one-way ticket out of the region. Does my hon. Friend agree that that is a problem?

Mr. White: One of the important things that the Queen's Speech does is to build on work of the two previous legislative programmes. One of the key Acts that the Government have passed is the Regional Development Agencies Act 1998. The Learning and Skills Council will have the chance to work with the regional development agencies in tackling problems such as that in the north-west. The RDAs will create jobs and help to promote enterprise. They will establish a link with the Learning and Skills Council, which will provide training to deliver a work force with skills of which local new enterprises can take advantage.

If we have learned nothing else in the past 10 or 15 years, we have learned that education matters. I do not want to go back to the elite universities that the right hon. Member for Bromley and Chislehurst (Mr. Forth) spoke about. He rejected the opportunity for 50 per cent. of people to go to university to learn skills and take advantage of new technologies. If we do not train people, we will condemn ourselves to being a second-rate economy.

Much reference has been made tonight about learning from the United States. One of the key things that the United States does is to link its universities, entrepreneurs and businesses into clusters and build on skills in the work force, while also providing extra opportunities to go to university. It encourages learning. We need to do the same. Some of the points made in the recent Budget statement about clusters, innovation funds for universities and help for people at university to go into self-employment and create companies are particularly useful.

The key aspect of the Learning and Skills Council Bill is that it will build on previous measures. I have expressed a number of concerns to Ministers about the boundaries for my own area; for example, the work of the Learning and Skills Council should be linked to inward investment. It is important to remember that it is not just a question of creating new silos—the policy that we inherited. We must believe in joined-up government and link regional learning and skills councils and local government delivery with regional development agencies and regional assemblies. It is important that all those things come together to create the prosperity that we need. Most of our regions are well below the European average for prosperity. If we do not tackle low productivity and low skills levels, we condemn ourselves to continue in that position. I believe that the Learning and Skills Council Bill, combined with previous legislation, will give us an opportunity to tackle the problems.

I wish to mention a few other Bills in the Queen's Speech that have been dealt with by other hon. Members. Transport has been mentioned on a number of occasions. I want to refer to two particular aspects. The shadow Strategic Rail Authority has been established, and will be a key element of the transport Bill. I hope that it recognises that it has a duty to promote new lines, such as the east-west line from Ipswich to Swindon and Peterborough to Swindon. That is vital and has all-party support. The authority should also create more capacity for freight.

I fear that Railtrack is not capable of delivering the promised investment. I and other hon. Members who have constituencies along the west coast mainline have grave fears that that line will not be upgraded sufficiently over the next few years. I hope that I am proved wrong. If I am proved right, I hope that the transport Bill will give the Strategic Rail Authority the power to take action to ensure that Railtrack delivers not only a safe railway line, but the extra capacity that is desperately needed.

The crime Bill contains some useful measures. The mandatory drugs testing provision must be considered especially carefully. The anecdotal evidence from prisons is that mandatory testing has led to a switch from cannabis use to the use of more serious drugs such as heroin and cocaine, because cannabis stays in the blood longer. There was a report today about a Singapore couple who were randomly tested at Singapore airport when they went back to visit their parents. They have been jailed for a year for smoking joints at the university leaving party.

It is right to have mandatory drug testing, but we should also have referral schemes. The people who fail the tests should not automatically go to prison, but should be referred for treatment if they are on heroin. Before the summer recess, we had a useful debate on drugs policy during which some good points were made. One of the key points was that there are insufficient treatment centres. If we are to have mandatory drugs testing, it is important that extra treatment centres are established so that people can be referred for treatment.

When people fail drugs tests, that is the point at which to intervene and to refer them for treatment. They should be given help to overcome their addiction. Not all drug users are funded by a criminal habit, but all drug users need help to conquer their addiction. Referral is important. I support mandatory drugs testing, but it must be linked to other measures.

I also support the mental health changes that the Government announced a couple of days ago.

I was lucky enough to sit on the Select Committee on Home Affairs, which examined the draft Freedom of Information Bill and made a number of recommendations. The Home Secretary's positive response to those recommendations is welcome. He did not go as far as I would have liked, so I hope that he will reconsider and take account of the Select Committee's second report—its response to the Government's response—which proposes that the powers of the information commissioner should be strengthened and that she should have the power to tell Ministers to release information voluntarily, subject of course to appeal to the courts. That critical enhancement of the legislation would enable the Bill to live up to the promises that the Home Secretary has made.

Mr. Fabricant: I am grateful to the hon. Gentleman for giving way. He will recall that he intervened on my speech on that very point.

Does the hon. Gentleman share my unease about the fact that yet again we have a Bill before Parliament that gives the Government a blank cheque? The Home Secretary can at any time, if he so desires, through a statutory instrument increase the exemptions on the

[Mr. Fabricant]

grounds that the release of the information would be prejudicial to the Government. That provides opacity rather than openness of government.

Mr. White: I might be wrong, and I apologise if I am, but my understanding is that my right hon. Friend the Home Secretary proposes to remove that provision in response to concerns expressed by the Select Committee. That is one of the reasons why I praised my right hon. Friend for being prepared to listen.

A couple of hon. Members have mentioned that this is the last Queen's Speech before the millennium, forgetting that the new millennium begins on 1 January 2001—I might be a pedant, but I shall not pursue that point. However, it is clear that the Queen's speech enhances the modernisation of government and creates better conditions for innovation and enterprise, not through the Government imposing more regulation, but through the Government working with the business community to draw up proper regulation. Reform is also carried forward, building on the strengths of the legislative programme of the Labour Government contained in the previous two Queen's Speeches.

The hon. Member for Carshalton and Wallington should remember that much of the first year of the Labour Government was taken up with education reform, with the School Standards and Framework Act 1998 and other measures. However, he appears to have conveniently forgotten that, along with the Government's delivering improvements such as the literacy hour in schools. The Queen's Speech will add to fairness, to modernisation and to reform, and it will help to transform this country for the better.

9.46 pm

Mr. David Amess (Southend, West): I am appalled by the overall tenor of the Queen's Speech. Although Her Majesty was, as ever, gracious, there is nothing gracious about the Government—far from it. The Queen's Speech contained nothing to lift the spirits of the British people, certainly not my constituents.

The whole event has been overshadowed by the fiasco surrounding Labour's process of selecting its candidate for mayor of London, which matter was mentioned in another Queen's Speech. Such is the Government's arrogance that they do not appear to believe that there will be an election: they think that they have only to choose a candidate for that candidate to win. I do not want a Labour mayor or a Liberal mayor; I want a Conservative mayor. Judging by the behaviour of the Labour party thus far, I do not think it wants a Labour mayor of London, and if it carries on as it has, there will not be one.

The first paragraph of the Gracious Speech reads:

"This is my Government's third legislative programme. It aims to build on my Government's programme of reform as they seek to modernise the country and its institutions to meet the challenges of the new millennium."

We have just heard the hon. Member for Milton Keynes, North–East (Mr. White) talk about modernisation. I recently asked a constituent what he thought of the Labour Government; his response was, "Yuk," and I fully endorse that. Who wants to modernise this country? How arrogant of the Labour Government to think that we need to be modernised. The Labour idea of modernisation is not shared by the majority of people. The Labour party has no concept of history and no understanding of our heritage. In less than three years, this dreadful Labour Government have done everything they can to destroy the very foundations of the United Kingdom.

The second paragraph reads:

"My Government's aim is to promote fairness and enterprise, providing people with real opportunities to liberate their potential."

I see no evidence of that in my constituency and throughout the United Kingdom. In fact, the Government's conduct appears to be entirely aimed at encouraging their own friends and cronies, as we have seen in the destruction of the second Chamber. Later in the Queen's Speech, we are told:

"To prepare Britain as a dynamic, knowledge-based economy my Government will introduce a Bill to promote electronic commerce and electronic government, improving our ability to compete in the digital marketplace."

The first thing the Government should do is manage the country far better than they have done hitherto, because it is an absolute shambles.

Many of my constituents are extremely concerned about telecommunications equipment being placed on the top of buildings. I would have liked to see something about that in the Queen's Speech.

One of our councillors in Southend, Mrs. Ann Holland, has brought to the House's attention the complaints of any number of residents about planning laws that seem to allow mobile telephone companies to place their ugly structures on all sorts of buildings. There seems to be no regard to dangers to our children's health.

I do not know whether the Government are turning a blind eye to the use of mobile telephones, but the situation is becoming tackier and tackier. No one conducts a private telephone conversation; everything seems to be public. Regardless of traffic conditions, all of a sudden car drivers are on their mobile phones, completely distracted. I certainly would have liked to see something to deal with that in the Queen's Speech.

Mr. Fabricant: Will my hon. Friend give way?

Mr. Amess: If my hon. Friend insists.

Mr. Fabricant: My hon. Friend is very gracious. Does he feel as dismayed as I do about the fact that the Queen's Speech did not adopt my ten-minute Bill which would have made the use of mobile phones in cinemas and theatres illegal?

Mr. Amess: I apologise to my hon. Friend if I was dismissive of his intervention. Perhaps I can read his ten-minute Bill in greater detail after the debate.

The Queen's Speech tells us:

"Financial services lie at the heart of a modern economy."

My goodness! For 18 years, Labour Members did all that they could to undermine what the Conservative Government were trying to do in financial services; now this is written in the Queen's Speech, as if Labour had just discovered financial services. What hypocrisy.

We are also told:

"As part of my Government's drive to address inappropriate and over-complex regulation, legislation will be introduced to increase the effectiveness of the power to remove regulatory burdens."

Day in, day out, week in, week out, month in, month out, the Government are issuing edicts on health, education and so forth. No aspect of our lives is omitted: there will be a bit of paper featuring some rubbish involving the imposition of further duties on people. If the Government are serious about over-complex regulation, they should control it themselves.

We are further told:

"My Government will introduce a Bill to enable the Post Office to improve its services and to compete more effectively in UK and overseas markets."

Labour sat there in opposition, and did nothing whatever to help the Conservative Government as they tried to—if you like—change the Post Office. Labour did all that it could to obstruct that. Now it says that it is going to change the Post Office. I wonder how many Labour Back Benchers who are still obviously trying to get jobs in the Government will remain silent; or will they be consistent, and want to leave the Post Office exactly as it is?

The Queen's Speech states:

"Education remains my Government's number one priority."

That is a good laugh. In my constituency, the education lead—if it can be called that—from this dreadful Government has been a disaster. Children trying to get into secondary schools have not been able to, because there are not enough places. Children trying to get into infant and junior schools have not been able to, because there are not enough places. There have been further difficulties because of the mismanagement of asylum seekers. Of course, every constituency in the United Kingdom must do all that it can to help asylum seekers, but what has happened in Southend, West is a fiasco.

The council admits that we have more than 300 asylum seekers, and I believe that at least a further 300 have come from London boroughs. Many schools cannot cope with the extra challenges that that poses, and the effect on the children of asylum seekers is quite wicked. The arrangements for ethnicity funding mean that Southend, which should be receiving more than Thurrock, is receiving less. The arrangements for the pupil retention grant and the standards fund are also deeply disappointing. Good schools in Southend are being penalised as a result of the Government's misjudgment in regard to education.

Then we learn:

"My Government's ten year programme of modernisation for health and social care will provide faster, more convenient services to help improve the country's health";

but does any Member of Parliament, regardless of party, really believe that the health service is better under Labour? What is going on is a disgrace. I have three examples of constituents who are not getting a decent service. It has nothing to do with our magnificent Southend hospital, and everything to do with a rotten Labour Government.

One lady is 93. She has been waiting 18 months for a cataract operation; each year, such operations are at a premium. Another lady is 81. She has been waiting 18 months for a hip replacement operation. She looks after her husband, who is over 90. Just today, I have been contacted by another constituent. He is nearly 90. He has cataracts in both eyes and has been told that he has to wait 18 months.

Of course, when we had a Conservative Government, the Labour party spent all its time with the media. The Conservatives were blamed for every little thing. Now Labour is outraged if we, as Her Majesty's Loyal Opposition, blame the Government for the travesty that the health service has become. I, for one, do blame the Government, and I know that all my colleagues do as well.

In the next item in the Queen's Speech, we are told that the Government

"are determined to reduce crime and improve public protection."

Never let us forget that it was the Labour leader who said that Labour would be tough on crime and tough on the causes of crime. I would love him to come to Southend, West to see the difficulties that the wonderful police in Southend have to cope with. Ever since we have had Labour, we have had cuts, cuts, cuts, not only in Southend, West, but in the constituencies of my hon. Friend the Member for North Essex (Mr. Jenkin) and of other Essex Members. What is happening in crime is a disgrace. We know the lie: the Home Secretary told us that there would be more police, but a letter from the Chief Secretary to the Treasury was leaked, saying that there would be not more police, but fewer.

Last week, I was canvassing in Kensington and Chelsea during the daytime. People were unbolting every door that I knocked on. They are afraid to open their doors. There was a good Conservative at every door that I knocked on and they were all saying what a disgrace the Government's law and order policies were.

Then we are told that the Government

"are committed to creating a modern integrated and safe transport system, providing more choice for the travelling public."

That is a good laugh. Transport is a shambles. An integrated transport policy?—the Government do not know the meaning of integration. The way they have let the British people down in transport is a disgrace. They have had it in for the motorist since day one. I just hope that all British people who will suffer as a result of that Bill will show their disdain by voting Conservative in local and national elections.

I am therefore deeply disappointed with the Queen's Speech. The Government's programme is wholly lacking in common sense. Britain needs a common-sense revolution to give more power to communities and families, to build a more secure society, to release the country's potential, to protect its integrity and independence and, above all—after the present rotten Government—to restore faith in politics.

Debate adjourned—*[Mr. Jamieson.]*

Debate to be resumed tomorrow.

Church Repairs (VAT)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

10 pm

Mr. Stuart Bell (Middlesbrough): I am grateful for the opportunity to address the House on a matter that is pernickety and pernicious—VAT on church repairs and charities. I am doing so in my role as Second Church Estates Commissioner as well as the Member of Parliament for Middlesbrough. The millennium will end as it began with the Church rendering unto Caesar—that is the state—that which belongs to Caesar, although at severely damaging VAT rates and under an unreformed VAT system.

It is as well to put the debate in context. Successive Governments have pursued a tax strategy of lessening the direct tax burden and switching to indirect taxes. In 1995 the then Chancellor of the Exchequer, the right hon. and learned Member for Rushcliffe (Mr. Clarke), said:

"Since 1979 this Government has shifted the tax burden away from direct taxes which fall on income and employment towards indirect taxes on consumption and spending."

The policy actually began in 1978 under a Labour Government. At that time, the basic rate of income tax stood at 35 per cent. It has now fallen to 22 per cent. In 1978, the standard rate of VAT was 8 per cent. and it is now 17.5 per cent.

The Church of England points out that the shift from direct to indirect taxation costs it first by way of reduced revenue from covenants—because the rate of income tax is lower—and secondly by adding, in 1998, £18 million to the cost of major repairs to churches amounting to a total of £123 million. Those costs fall mainly on local congregations, relate solely to major repairs and exclude routine maintenance and running costs. Consequently, it represents a substantial burden that inhibits the other work of parishes in support of their communities.

Over the past 20 years, the scope of VAT has been extended to charges on church halls, heating and bells. All those items were once tax free. An insurance premium tax has also been introduced so that not only must the Church maintain the rich heritage of churches and cathedrals, it must pay an additional tax of £1 million for the responsibility. It is against that background that we must debate VAT on church repairs and charities.

According to the Charities Aid Foundation, the size of the voluntary sector in the United Kingdom has grown to exceed £30 billion. However, the tax burden falling on that sector has also grown by £460 million a year in VAT payments. That would be recoverable in the business sector but not in the charitable sector. Within the Church of England, irrecoverable VAT impacts on many of its activities.

The Church of England is responsible for 16,000 parish churches, 13,000 of which are listed, making the Church the largest owner and greatest conservationist of our built heritage. Indeed, 3,000 of its churches are grade 1 listed. The Church of England's bill for major repairs is almost one sixth of its total annual expenditure and is bigger than almost any other single item, with the exception of clergy stipends.

English Heritage grants were introduced 20 years ago for historic churches in use. The Church values, and is grateful for, that support and for the encouragement that that funding gives towards planning a consistent maintenance programmes for the conservation of those buildings. Currently, £10 million a year is given by English Heritage, but the Church of England's VAT bill of £18 million exceeds that.

English Heritage has rightly noted that it could provide greater support to listed churches and other buildings if available resources were greater, and, equally, that the Church at parish level might make scarce funds go further if the VAT charge were reduced or removed. Repairs to listed buildings carry VAT, but alterations do not.

The overall effect of the VAT system on listed buildings is to encourage not conservation, but modification. Surely the better policy is to sustain, conserve and reuse our listed churches, not to modify them. As a demonstration of the extent to which the VAT system has not been reformed, new buildings are on a par with alterations, attracting absolutely no VAT.

Most historic buildings are in rural or inner city areas, where per capita incomes are often lower, and the burden of repairs and concomitant VAT on parishioners is consequently greater. Preston parish, in Blackburn diocese, has a Sunday congregation of 60 people. Last year, the parish embarked on urgent repairs to the roof and chancel, which cost £60,000, with an additional burden of more than £10,000 in VAT. Had the diocese not stepped in, the burden might well have worked out at £1,000 per parishioner.

The impact of VAT on repairs to listed buildings is not unique to the Church of England, but is common to other charities and to private owners, including bodies such as the Historic Houses Association.

Recently, the Joint Committee for National Amenity Societies produced a report entitled "VAT and the Built Heritage", which provides some staggering statistics on the impact of VAT on church repairs. I should say now that I am grateful to the Paymaster General for meeting—last July, when she was Financial Secretary to the Treasury—a delegation from the Joint Committee for National Amenity Societies and listening courteously to what its members had to say.

The committee's findings in the report include data from detailed surveys of 363 separate building projects, ecclesiastical and secular, and separate data from the Church of England, the National Trust and English Heritage. The report estimates that, in 1998, £5,900 million of building repair work was done to listed buildings.

Disentangling the intricacies of the VAT system is no easy task, given a variety of rates and zero rating on modifications. However, the view of the Joint Committee for National Amenity Societies is that, were a single harmonised VAT rate—at 5 per cent.—to be applied to all building work, regardless of its nature, the net loss to the Exchequer would be £92 million.

The loss might be offset by what President Reagan referred to as the Laffer curve, which he believed demonstrated that lower taxation rates ensured more tax returned, as people would have an incentive to work harder. Similarly, the Joint Committee for National Amenity Societies believes that, the lower the VAT rate on building repairs, the more repairs will be done. The Church of England concurs with that view, given the variety of opinions to that effect it has received from parishes.

The General Synod of the Church of England has also taken up the call for a harmonised VAT rate, at 5 per cent., on all building work. After a debate, in February 1998, the Synod reached that conclusion unanimously. At its July 1999 sessions, the Synod again demonstrated its wholehearted support for a fairer VAT system.

The hon. Member for Vale of York (Miss McIntosh) may wish to deal with those matters, given her membership not only of this place, but of the European Parliament. Her views might be of some interest to the House and I am glad to offer her part of my time.

In Spain and Italy, the maintenance of historic buildings relying on craftspeople such as stonemasons is already subject to a lower rate of VAT, at 4 per cent. In France, repairs to Church buildings built before 1904 are financed from the public purse, even though it was about that time that the French state and Church ceased to be as one. Belgium announced in June 1999 that it would seek to use the provisions of a European draft directive to lower the rate of VAT on the renovation and repair of private dwellings and, in typical European fashion—not a trend followed by our Government—extended the directive to the renovation of the artistic heritage. The Government examined the directive and considered the advisability of reducing the rate of VAT on labour-intensive services, which might have included the repair of churches as part of our artistic heritage, but decided not to take it further.

I welcome the support for charities that will be targeted through relief on the taxation of income. I note that steps have been taken towards that in the November pre-Budget statement, which talked about removing limits on payroll giving and gift aid. Those are welcome changes, but they are not of great significance to the Church, because they bring the tax treatment of those items into line with the treatment of covenants, which are a far more important source of income.

My intention tonight is to lay before the House the consequences for the Church of England and other charities of leaving our VAT system unreformed and not recognising that as the burden of taxation has changed, its tilt has placed enormous additional burdens on our Churches and their parish communities. That applies to all Churches.

I wish to put on record the concern of my hon. Friend the Member for Glasgow, Springburn (Mr. Martin), who takes a strong interest in these matters and who would wish to be associated with the debate. I am also grateful to those present tonight who have expressed a strong interest in the subject. I am only sorry that this is an Adjournment debate, which does not allow many interventions, because I am sure that they would wish to make their own points. The points that I am making have all-party support from hon. Members who have come to register their views with me.

As we have seen from today's Queen's Speech, we are dealing with a Government who seek fairness and social justice. They have already embarked on large measures of reform. Our VAT system on church repairs and charities may well be a suitable case for reform. I am sure that the Church of England and other denominations and charities would be grateful and relieved were the Government to consider such reform.

10.14 pm

Miss Anne McIntosh (Vale of York): I congratulate the hon. Member for Middlesbrough (Mr. Bell) on securing the debate and putting forward his case so eloquently. I thank him warmly for giving me permission to speak. I am also grateful for his continuing support for my campaign. He kindly said that I started it some years ago, when I was, among other things, a Member of the European Parliament, which was a great privilege.

I am delighted to welcome the Paymaster General. The hon. Member for Middlesbrough admitted that the sixth European VAT directive was passed under the previous Labour Government. Annexe K would allow a derogation, which four member states have taken up positively, while a fifth has announced its intention to do so. The all-party support to which the hon. Gentleman referred is demonstrated by the exceptional number of hon. Members present.

The all-party arts and heritage group has campaigned on the issue for more than 25 years, and my hon. Friend the Member for South Staffordshire (Sir P. Cormack) has long been actively involved. Belgium has already said that it wants to extend the application under annexe K of the sixth VAT directive to old houses and artistic workplaces.

The annexe is specific. The work must be labour intensive and must not prejudice the smooth running of the internal market. I hope that, in this evening's spirit of generosity, the Paymaster General will make the greatest contribution that any Government could make to the celebration of the millennium, and boost Christianity, by applying the derogation.

I take no comfort from the pre-Budget statement, because the support for charities, targeting tax relief on taxation of income, is no substitute for the reduction that has been applied elsewhere. In Spain, the rate is 4 per cent.; in Italy, 6 per cent.; in Luxembourg, 3 per cent.; and in Finland, 0 per cent.

On the eve of the millennium, we should put church alterations and repairs on an equal footing throughout the European Community. Other member states have successfully applied the derogation, and there is strong all-party support for it. I urge the Paymaster General, in a spirit of Christianity and sisterhood, to apply annexe K.

10.17 pm

The Paymaster General (Dawn Primarolo): I want to respond to the hon. Member for Vale of York (Miss McIntosh), before coming back to the substantial comments of my hon. Friend the Member for Middlesbrough (Mr. Bell) and congratulating him on securing this debate. In all sisterhood, she is mistaken to say that the definition of labour-intensive services can cover repairs and renovations to Church buildings. The reduced rate for such services provides for repairs and renovations to private dwellings. Whatever the Belgian authorities have told her—I am happy to pursue the matter on her behalf later and to write to both her and my hon. Friend—it is not the case that the reduced rate for labour-intensive services applies to repairs and renovations to Church buildings. It is important that we should not mislead people outside the House into thinking otherwise.

Miss McIntosh: Will the Minister give way?

Dawn Primarolo: The hon. Lady spoke with my agreement, and I am afraid that I must press on to get

[Dawn Primarolo]

some of the points on the record. I am sure that she will continue to pursue the matter with me after this debate, and I am happy for both her and my hon. Friend to do that.

My hon. Friend started with a catalogue of grievous errors by the previous Government, who removed zero rates and increased the VAT levied. He spoke specifically about going back. That fits in with the point that both he and the hon. Lady made about Spain, Italy and other member states that apply lower rates. I will double-check the facts and write to them both.

Once the zero rate has been relinquished, there is no returning to it under current European Union legislation. At a certain point, it was decided that lower rates could not be used. Before that barrier came down, member states that were operating lower rates, of which Spain and Italy were examples, were allowed to persist with them, but under European legislation, no other member state could introduce a zero or reduced rate. VAT is a tax based in European legislation, and there are certain basic rules that cannot be breached.

In responding to the points made by the hon. Member for Vale of York and my hon. Friend the Member for Middlesbrough, it is important to set out how much relief, in total, goes to churches and charities. It would be wrong to pick on one area and make it sound as if the Government are not doing anything and have not done anything since the 1997 election because, in practice, churches are generally exempt from direct tax on all their income and gains and enjoy business rate relief, which also extends to religious bookshops run by a church or other religious charities. I shall briefly set in context that total help to charities and churches.

Before I move on, I say to my hon. Friend that I am aware of the report, "VAT and the Built Heritage", to which he referred. My officials are studying its conclusions, and of course we shall respond to the Joint Committee of the National Amenity Societies as soon as we can.

The Government want to create an environment in which charities can succeed, not by raising money for them, but by creating a framework in which they can concentrate on their core activities. The tax system already recognises the vital role that charities play. Charities receive over £2 billion of tax reliefs every year—a substantial amount of which goes to churches—including more than £1 billion of relief from direct tax and £200 million of relief from VAT. It is simply not correct to make it sound as if we are imposing VAT and doing nothing to assist churches.

As I told my hon. Friend, existing European tax law does not currently let church repairs qualify for a reduced or zero rate of VAT. He rightly referred to the £20 million in conservation grants being offered to listed churches by English Heritage and the heritage lottery fund joint church grants scheme. Since the launch of the scheme, assistance has been given to several churches. In addition, if a church is holding a one-off fund-raising event—for example, to repair the church steeple—the event will be covered by a tax exemption.

VAT covers everybody, including businesses, charities and churches. It is important that the tax works fairly for everyone and that we do not, with good intentions for some people, build into the system ways in which others have access to relief when they should not. So, as the Chancellor announced in his pre-Budget report last week, we are introducing a wide range of direct and indirect tax benefits for charities. "Getting Britain Giving" is a major new package of tax incentives aimed at encouraging more people to give to charity. Those are the result of extensive and lengthy consultation with charities and churches, so that our proposals reflect many of the ideas received.

On direct taxes, we are extending the incentives for giving, and we are sweeping away the existing rules and regulations that place limits on people's generosity. For example, we are abolishing the £250 minimum for gift aid donations and enabling people to join the scheme by phone or through the internet, so we are broadening the ability to join the scheme.

At the moment, although around two thirds of people give to charity in a typical month, fewer than 10 per cent. do so in a way that makes use of tax incentives. Our challenge is to ensure that existing provisions are properly used to benefit charities. The new gift aid scheme will extend the incentives to all donations, large or small, regular or one-off. The new scheme should give tax relief for a further £750 million a year in donations, making them worth more than £1 billion to charity. That is a huge commitment.

Most respondents to our charity tax review expressed concern at the administrative burden of dealing with deeds of covenant. The churches are very efficient at ensuring that they receive such deeds, and the new scheme will help them by removing burdens from the operation of new deeds of covenant schemes. It will make it easier for the churches to run schemes, lifting some of the burdens in the tax system from the organisations referred to by my hon. Friend. We must ensure that payroll giving schemes are encouraged and that they grow. The Government are making sure that they are well advertised, and a take-up campaign is taking place to ensure that people can make contributions.

There is far more to what the Government are doing to assist churches and charities than the measures being taken on VAT. We have done all that we can within the law to ensure that we give relief. We shall ensure that we continue to assist in the renovation and repair of churches and the facilitation of charities in our communities. We cannot return to zero rates. Nor can we introduce reduced rates where they have not operated previously. We cannot stretch a directive on labour-intensive services to cover areas for which it simply does not provide.

I shall consider the points made by the hon. Member for Vale of York and my hon. Friend the Member for Middlesbrough, and I shall write to them about whether Belgium may be taking the labour-intensive services directive beyond its legal limit. I do not believe that Belgium can do so. I shall look into the areas where reduced rates apply and into whether such rates applied before the changes were made to European law. My officials and I will also consider the report referred to by my hon. Friend, and I shall respond to the relevant individuals and committees.

The debate has concentrated on VAT, but our assistance to churches and charities must be seen in its totality. I have made it clear that far from shirking any challenge, the Government have listened to consultation and introduced many mechanisms to the direct and indirect tax systems that will help the churches and charities enormously in the next millennium.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Thursday 18 November 1999

The House met at half-past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Business of the House

11.33 am

Sir George Young (North-West Hampshire): May I ask the Leader of the House to give us the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): Madam Speaker, you informed the House yesterday of the subjects for debate on the Queen's Speech. The business for the remainder of the week commencing 22 November will be:

THURSDAY 25 NOVEMBER—Motion to take note of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

FRIDAY 26 NOVEMBER—There will be a debate on Government support for the arts on a motion for the Adjournment of the House. Additionally, at the end of the main debate on Tuesday 23 November, motion on the draft Maximum Number of Judges Order 1999. The provisional business for the following week will be as follows:

MONDAY 29 NOVEMBER—Second Reading of the Electronic Communications Bill.

TUESDAY 30 NOVEMBER—Second Reading of the Representation of the People Bill.

Motion relating to the Postal Privilege (Suspension) Order 1999.

WEDNESDAY 1 DECEMBER—There will be a debate on the European Union on a motion for the Adjournment of the House in advance of the European Council Meeting in Helsinki on 10 and 11 December.

THURSDAY 2 DECEMBER—Second Reading of the Resource Accounting and Budgeting Bill.

FRIDAY 3 DECEMBER—The House will not be sitting.

The House will wish to be reminded that, as from the week commencing 29 November, there will be sittings in Westminster Hall. I shall announce the proposed subjects for debate in my business statement next week. Adjournment debates previously held in the Chamber on Wednesday mornings will, in future, take place in Westminster Hall. As the House is already aware, there will be no morning Adjournment debates on Wednesday 24 November.

The House will also wish to know that on Monday 22 November there will be a debate on the World Trade Organisation millennium round in European Standing Committee C. On Thursday 25 November there will be a debate on taxation and financial services in European Standing Committee B. Details of the relevant documents will be given in the *Official Report*.

[*Monday 22 November 1999:*

European Standing Committee C—Relevant European Union documents: 10297/99, World Trade Organisation Millennium Round; Relevant European Scrutiny Committee Report: HC 34-xxx, (1998-99).

[*Thursday 25 November 1999:*

European Standing Committee B—Relevant European Union documents: 8329/99, Taxation and Financial Services; 6615/98, 8781/98, 8484/1/99. Relevant European Legislation Committee Reports: HC 155-xxv; HC 155-xxxvi and HC 155-xxxiii (1997-98). Relevant European Scrutiny Committee reports: HC 34-xvi; HC 34-xxiii and HC 34-xxviii (1998-99).

Sir George Young: The House is grateful to the Leader of the House for giving next week's business, and for an indication of the business for the following week.

I begin this Session as I ended the last, with a reminder that we are still awaiting a debate on the royal commission on long-term care. I hope that it will not be too long before we can find time for that important debate.

In view of the promising developments in Northern Ireland, can the Leader of the House tell us whether the Secretary of State for Northern Ireland plans to make a statement, either tomorrow or next week?

The Leader of the House announced the new sittings in Westminster Hall. Will she give guidance to Members on how the experiment will work, and how they should apply to have the relevant debates?

This is the first Queen's Speech since devolution, and the Leader of the House has announced the Second Reading of a number of Bills. Will the Government indicate in advance which Bills are United Kingdom Bills and which cover England and Wales only? For example, on fur farming, it is not clear whether the proposed Bill is a UK Bill or an England and Wales Bill. It would be genuinely helpful if Members knew.

Usually, there is a debate in Government time in the autumn on either the unified Budget or the public expenditure announcement. There is a risk of losing that debate. Will the Leader of the House assure us that there will be a debate on the economy, public expenditure or the pre-Budget statement before Christmas?

Finally, with memories of the disarray of the last Session fresh in our minds, may I ask the Leader of the House whether, in their programme, the Government have bitten off more than the House is able to chew?

Mrs. Beckett: On long-term care, I hope and anticipate that we will be able to schedule a debate on the matter, perhaps before Christmas.

On Northern Ireland, I cannot tell the right hon. Gentleman at what point my right hon. Friend the Secretary of State will be able to come to this House and make a statement. However, I can assure him that the Government intend to keep the House informed. Clearly, the timing is not entirely in our hands.

The right hon. Gentleman asked about the sittings in Westminster Hall, and it is our intention to provide some guidance. The Select Committee on Modernisation of the

[Mrs. Beckett]

House of Commons suggested that I, as Leader of the House, might write to all hon. Members to remind them of how the debates are to be organised and sought. I have that in hand.

The right hon. Gentleman asked about Bills which are UK-wide and Bills which are for England and Wales only. We anticipate that that will be clear at their introduction, but I accept his point that it will be helpful to the House to know.

The right hon. Gentleman referred to an autumn debate following the pre-Budget statement. That is a matter that we can discuss through the usual channels.

Finally, I reject the right hon. Gentleman's contention that the Session ended in some disarray. I thought that it ended remarkably smoothly, with the Government getting not only all the legislation forecast in the previous Queen's Speech, but more legislation than had been forecast. There is a full legislative programme for the new Session—although that is not what Conservative Members said yesterday, when they claimed that there was nothing in the Queen's Speech.

I remind the right hon. Gentleman of an important development for the House, and an important potential improvement to the way in which we manage our business. A number of Bills foreshadowed in the Queen's Speech concern matters which have had substantial pre-legislative scrutiny in different Committees, and a number have been available in draft for a considerable period. That will make a big difference to the way in which the House can handle them.

Charlotte Atkins (Staffordshire, Moorlands): Can we have a debate on mutuality, in view of the imminent threat to my local building society, Leek United, and other local mutual societies, from the asset-stripping company Murray Financial? That would also give us the opportunity to debate the report from the Select Committee on the Treasury on demutualisation, which is an important issue.

Mrs. Beckett: I cannot undertake at present to find time for a special debate on the important issue to which my hon. Friend refers, but perhaps I can remind her that there is a trade and industry debate on Friday as part of the Queen's Speech debates and that my right hon. Friend the Chancellor will introduce a debate on the economy on Wednesday.

Mr. Paul Tyler (North Cornwall): We endorse the request from the official Opposition for an urgent debate on the royal commission on long-term care. I hope that we can have that quickly.

Will the Leader of the House address the issue of early-day motions, which have in the past been discouraged by the attempt by some outside the House to treat them as parliamentary wallpaper? Some early-day motions receive the support of large numbers of hon. Members. For example, early-day motion 16,

[*That this House welcomes the proposed national Fleet Air Arm Memorial in honour of more than 6,000 men and women who gave their lives in service with the Royal Naval Air Service and the Fleet Air Arm from 1914 to 1918 and since 1938, respectively; acknowledges the vital role played by naval aviation in defence of freedom during the 20th century; recalls the 40 battle honours won in two world wars and in subsequent campaigns, including Korea, Borneo, the Falklands, the Gulf and the Adriatic; and believes that the unveiling of the Memorial in June 2000, in Victoria Embankment Gardens outside the Ministry of Defence, will be a fitting tribute to those who have died and an inspiration to future generations.*], received the signatures of 101 hon. Members on the first full day back. Early-day motion 17 received 287 signatures; early-day motion 29 received 192; and early-day motion 51, 135.

That is a considerable expression of parliamentary opinion. Will the Leader of the House consider how early-day motions could be debated, perhaps by a ballot of those that receive the most signatures? Could not the Modernisation Committee consider some way of reintroducing real debates on real motions, rather than allowing them merely to sit on the Order Paper?

Mrs. Beckett: I recognise that the hon. Gentleman, along with the right hon. Member for North-West Hampshire (Sir G. Young), has been pressing for a debate on long-term care, and he will have heard my response.

The hon. Gentleman's other point has two important implications: the handling of early-day motions and whether we can find a way of debating them again; and the means and forum for such debates and whether that is a matter for the Modernisation Committee. Obviously, the matter can be discussed in that Committee but, as he will know, following proposals already made by the Committee on sittings in Westminster Hall, there are substantial extra opportunities for debate. Regardless of whether the matter arises directly as part of the mechanism of early-day motions, when there is an issue of genuine interest and concern, there is nothing to stop hon. Members using other means of raising it in the House.

Mr. Harry Barnes (North-East Derbyshire): Tonight's Adjournment debate is to be on objective 2 funding in Beverley and Holderness. In order to save Member after Member applying for Adjournment debates on objective 2 status for their areas, could not we have a general debate, so that all those who have concerns can question the Minister?

Mrs. Beckett: That is an interesting remark. I remind my hon. Friend that there is a trade and industry debate on Friday. I cannot at the moment undertake to find time for a special debate on objective 2 funding, but I completely accept his basic point that there should be better ways of handling the matter than for every hon. Member to try to get a debate on his or her area. When I write to hon. Members, I shall draw attention to the variety of ways in which they have the opportunity to raise issues, and I hope that that will be of assistance.

Mr. James Gray (North Wiltshire): One of the notable omissions from the Queen's Speech was any mention of farming, with the single exception of fur farming. Is the Leader of the House aware that pigs today cost £7 more to produce than the price that they achieve at the abattoir and that the industry is losing about £2 million a week and facing total meltdown before Christmas? Will she find time for a full day's debate on the plight of the pig farming industry and, if not, does she accept that pig farming may disappear in this country before fur farming?

Mrs. Beckett: Unless the Conservatives intend to subsume agriculture in today's debate on the countryside

and the environment, they have not chosen to make it one of the subjects on which we shall focus during the debates on the Queen's Speech.

Mr. John Redwood (Wokingham): That is today's debate.

Mrs. Beckett: Yes, I realise that, but the right hon. Gentleman's party has not singled out agriculture and farming for debate. I was under the impression that the Conservative party's general approach was that there was too much legislation and regulation, but the hon. Member for North Wiltshire (Mr. Gray) seems to be calling for more. I merely note that degree of inconsistency. The hon. Gentleman will know that the Government have given substantial help and are concerned about the plight of pig farmers and farmers in general. We shall continue to keep matters under review.

Mr. Malcolm Savidge (Aberdeen, North): Following on from the point made by the hon. Member for North Cornwall (Mr. Tyler), may I ask my right hon. Friend whether time can be found for a debate on early-day motion 929 from the last Session, which attracted more signatures than any other? That motion showed the overwhelming support of Back Benchers from all parties for an appeal asking the United States Senate to reconsider the comprehensive test ban treaty. I have forwarded the early-day motion to President Clinton and to the leaders of the Senate in the hope that they may follow the example of the House of Commons in putting global security before partisan politics. I fear that if they do not do so, they may endanger non-proliferation.

Mrs. Beckett: My hon. Friend makes a serious point about a matter that has raised concern on both sides of the House and across the world. Anxiety remains that the signal from the American Senate may hinder the cause of non-proliferation. The strong expression of views by Members of the House of Commons will not go unnoticed, but this is hardly the first time that partisan politics has gone against national and international interests.

Rev. Martin Smyth (Belfast, South): I understand that, in keeping with growing tradition, the Secretary of State for Northern Ireland may make a statement elsewhere today. Meanwhile, may I plead with the Leader of the House for a debate on the Patten report, a plea that I have made before? Before the consultation period is over, may the House have an opportunity to express its views on the report?

Mrs. Beckett: Others may be making statements today. I am not clear of the time scale on these matters, and the hon. Gentleman may be more familiar than I am with the detail of how matters are shifting. However, the Government have sought throughout the process to keep the House properly informed, and we shall continue to do so. I can assure the hon. Gentleman that when my right hon. Friend the Secretary of State for Northern Ireland feels that the time is right to make a statement to the House, he will certainly do so. Indeed, he is eager to do so, as we are all eager that the Good Friday Agreement should reach a successful conclusion.

The hon. Gentleman rightly reminds me that he has previously asked about a debate on the Patten report. I cannot undertake to schedule such a debate, but I will draw his remarks to the attention of my right hon. Friend the Secretary of State.

Dr. George Turner (North-West Norfolk): I am sorry to have to tell the House that the Barclays bank branch in Heacham will close tomorrow. This is one of many bank closures in rural areas of England, and I am sure that it results from general market failure. None of the banks seems able to justify a presence in our larger villages. There are 5,000 people in Heacham, and Barclays is the last bank there. Will the Government recognise that when markets fail, we need new initiatives to help people in rural areas, particularly those who have neither cars nor easy access to neighbouring market towns? Can the House debate that issue at an early date?

Mrs. Beckett: I understand my hon. Friend's concern. I note that Conservative Members seem amused by the prospect of his constituents losing their opportunity to access valuable services, an attitude in sharp contrast with their professed concern for people in rural areas. I should remind my hon. Friend that today's debate focuses on the countryside as well as the environment and transport. The Treasury team will attend Wednesday's debate. However, I accept that he is making an important point. I assure him that the Government give great attention to rural issues and expect to publish further proposals in due course.

Mr. Eric Forth (Bromley and Chislehurst): The Leader of the House will be aware that today's Order Paper shows two First Readings, one of the Government Resources and Accounts Bill and the other of the Freedom of Information Bill. Will she consider allowing us an urgent debate as a preliminary to the Second Reading debates on those Bills, so that we can attempt to influence them? It is becoming increasingly obvious that Ministers, especially the Prime Minister, are either genuinely ignorant of Government financial matters such as taxation and expenditure, or give the wrong impression of such matters from time to time both to the House and to the public. Would it not be helpful to have a proper framework of public information, perhaps based on those two Bills, so that we in the House and the public in general could be assured that no matter what the Prime Minister tells us, the truth will somehow come out?

Mrs. Beckett: That was a rather elaborate attempt to make some general, although ill-founded, political points. I simply remind the right hon. Gentleman that he shows less than his usual skill in choosing those two examples, because both those Bills have had substantial pre-scrutiny.

Mr. Desmond Swayne (New Forest, West): This afternoon Serplan, which represents 18 million people in the south-east, is likely to reject the proposals of the Crow report. It is vital that the Secretary of State for the Environment, Transport and the Regions makes a speedy decision, and I believe that it would assist him if we debated the issue in the House. I realise that it will be possible to raise the matter in the debate this afternoon, but I believe that it is a vital issue that merits a full day's debate.

Mrs. Beckett: I simply remind the hon. Gentleman that he can raise the issue today. No doubt he will also look

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for other opportunities to do so, and I shall make a point of ensuring that his name is on the mailing list for the letter telling hon. Members how to raise issues in Westminster Hall.

Mr. Crispin Blunt (Reigate): Can the Leader of the House assure us that when the defence White Paper finally arrives we will have a full two-day debate on it, as well as, at the end of the Session, another two-day debate on the defence estimates for next year? Will she assure us that we will not lose two days' defence debates because the Government have been late in producing this year's White Paper?

Secondly, will the right hon. Lady ensure, as a matter of priority, that one of the first debates on Select Committee reports is on the Defence Committee's unanimous report on the future of the Defence Evaluation and Research Agency, which found that the Government's privatisation proposals were fatally flawed and should not proceed?

Thirdly, may we, as a matter of urgency, have a statement by the Secretary of State for Defence on his proposals for some form of enlarged Euro corps, such as we have read about in the newspapers? Some of us do not quite understand, and are confused about where all those troops will come from, so we wonder whether the right hon. Gentleman might like to float those ideas across Parliament at some stage.

Mrs. Beckett: There is no question of any debating time for defence matters being lost. I made it clear at the outset that although the White Paper has been delayed—I shall return to that point in a moment—the Government intend to allow the full range of scrutiny. The hon. Gentleman will realise, however, that we shall want the White Paper to go to the Select Committee first, and I am sure that he, too, would want that to happen. He said that the White Paper was late, as if that resulted from fault on the Government's part. May I remind him that we had a small war, and there was some feeling that that ought to be reflected in what would otherwise have been a routine presentation of the White Paper?

The hon. Gentleman also asked me to schedule an early debate on the Select Committee report on DERA. That report has only just been published, and I am sure that he would wish the Government to give it proper consideration and respond to it, as indeed we shall. I also remind him that the order for scheduling debates on Select Committee reports is not solely a matter for me; it is an important function of the Liaison Committee, and any Leader of the House who sought to usurp that function would be treading on difficult territory. Finally, I remind him that there will, of course, be an opportunity to raise defence matters in the debate on the Queen's Speech.

BILLS PRESENTED

Representation of the People

Mr. Secretary Straw, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Secretary Reid, Mr. Secretary Murphy, Mr. Secretary Mandelson and Mr. Mike O'Brien, presented a Bill to make new provision with respect to the registration of voters for the purposes of parliamentary and local government elections; to make other provision in relation to voting at such elections; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 2].

Government Resources and Accounts

Mr. Chancellor of the Exchequer, supported by Margaret Beckett, Mr. Secretary Milburn, Mr. Secretary Hoon, Mr. Andrew Smith, Dawn Primarolo, Mr. Stephen Timms and Miss Melanie Johnson, presented a Bill to make provision about government resources and accounts; to provide for financial assistance for a body established to participate in public-private partnerships; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 3].

Electronic Communications

Mr. Secretary Byers, supported by the Prime Minister, the Chancellor of the Exchequer, Mr. Secretary Straw, Mr. Secretary Reid, Marjorie Mowlam, Mr. Secretary Murphy, Mr. Secretary Mandelson and Ms Patricia Hewitt, presented a Bill to make provision to facilitate the use of electronic communications and electronic data storage; to make provision about the modification of licences granted under section 7 of the Telecommunications Act; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 4].

Financial Services and Markets

The Chancellor of the Exchequer, supported by Mr. Secretary Straw, Mr. Secretary Darling, Mr. Secretary Byers, Mr. Secretary Milburn, Jane Kennedy, Mr. Graham Stringer, Mr. Andrew Smith, Dawn Primarolo, Mr. Stephen Timms and Miss Melanie Johnson, presented a Bill to make provision about the regulation of financial services and markets; to provide for the transfer of certain statutory functions relating to building societies, friendly societies, industrial and provident societies and certain other mutual societies; and for connected purposes: Pursuant to Order [25 October], the Bill was ordered to be printed [Bill 1], was read the First and Second time without Question put, and stood committed to a Standing Committee in respect of clauses 135 to 367 and Schedules 12 to 17 with the same Members as the Members of the Standing Committee on the Bill in the previous Session. Explanatory notes to be printed.

Freedom of Information

Mr. Secretary Straw, supported by the Prime Minister, Marjorie Mowlam, Mr. Secretary Byers, Mr. Secretary Murphy, Mr. Secretary Mandelson and Mr. Mike O'Brien, presented a Bill to make provision for the disclosure of information held by public authorities or by persons providing services for them and to amend the Data Protection Act 1998 and the Public Records Act 1958; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 5].

Orders of the Day

Debate on the Address

[SECOND DAY]

Order read for resuming adjourned debate on Question [17 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—[*Dr. Jack Cunningham.*]

Question again proposed.

Environment, Transport and the Countryside

11.56 am

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): I am sorry that I cut getting here rather fine, but as the person responsible for transport, I cannot blame the public transport system for being late.

As my right hon. Friend the Prime Minister made clear yesterday, the Government are about fairness, enterprise and justice. Indeed, over the past two and a half years we have shown our commitment to those principles and our determination to build a fairer, more modern Britain.

All the evidence from elections and polls show that the Government enjoy a level of support at mid term that is quite unprecedented and compares very well with the unpopularity of the Thatcher Government. Despite what the Leader of the Opposition said yesterday, we must be doing something right.

I am bound to say, having listened to the right hon. Gentleman's speech—and this seems to be the general opinion—that his jokes were far more impressive than the contents of his speech. Having listened to the right hon. Member for Wokingham (Mr. Redwood) on the "Today" programme this morning, it appears that the sole job of the Opposition is simply to oppose, even if it means changing their policies along the way or, indeed, doing exactly the opposite to what they did in government or what they promised to do in government. They seem to have a new park-and-ride policy: they park the old policy and ride the new one in opposition—[HON. MEMBERS: "More."] It was a start, but I want to do it with substance.

The legislative programme set out in the Queen's Speech yesterday is indeed about modernising Britain—modernising our education system and our hospitals, tackling crime and creating a strong economy. I was particularly proud to hear a Labour Prime Minister talking about a strong, modern economy and the highest number of people in work for decades. We are particularly proud of that. I want to address some of my remarks to the quality of life and there is no better way of improving the quality of life than having a job, working and making a contribution to society. It is an important concept—a modern Britain is about providing a decent quality of life for everyone, not just a few. Indeed, my Department has a central role in local and regional government, environmental protection, housing regeneration and transport. During the past two years it has improved the quality of the water we drink, the air we breathe, the homes in which we live and our local services. Those are all measurable improvements.

For the first time in years, people are returning to public transport, making it a growth industry once again and utilising thousands more train and bus services that the Government helped to fund. If one talks to those in the industry, it is clear that there is more confidence in Labour and a belief that we consider it an important part of the transport system. The evidence is there and people can make their own judgments.

The major legislative programme announced yesterday for my Department covers many issues that are central to quality of life, and that will make a real difference to millions of people throughout the country. It will further modernise local authorities, giving people a choice about how they are governed, promoting well-being in local communities and tackling sleaze. It will give us a modern and integrated public transport system, turning around years of underinvestment. It will make the system safer, improve services and increase choice. It will improve the quality of our countryside, offering greater protection for wildlife and improved access for everyone, rather than the privileged few. The Opposition, when in government, used to talk about many of those aims, but they failed to pass the legislation to implement them.

For 18 years, the Conservative Government systematically undermined local democracy. Their idea of democracy was to abolish the Greater London Council and the metropolitan councils, crippling local government and taking power away from local people. They imposed the poll tax, which cost taxpayers billions of pounds and totally failed as a form of local authority financing. They also imposed a crude capping system on all local authorities. The Conservative Government's obsession with the market gave us compulsory competitive tendering and worse services.

Mr. John Bercow (Buckingham): This is a history lesson.

Mr. Prescott: Yes, it is. I want to remind the Opposition of the policies that the Conservative Government imposed. The electorate should remember what 18 years of Tory Government did to local government services, transport and the countryside.

Local authorities now have a secure basis on which to plan. For the first time in years, no capping limits have been announced in advance and no councils have been capped. That never happened under a Tory Government, but it has happened under this Labour Government.

Mr. James Gray (North Wiltshire): If the right hon. Gentleman is so determined to return local democracy to local people and local councils, will he allow local authorities a fourth option in the forthcoming reorganisation of local government? That would be to retain a system akin to—or a slight modification of—the current committee system?

Mr. Prescott: I advise the hon. Gentleman to wait until the Bill is published. Such questions will be answered then.

[Mr. Prescott]

We have replaced the restrictive practice of compulsory competitive tendering introduced by the previous Administration with a duty to provide best value. That will improve the effectiveness of all local authority services in giving a better deal to local people. The proposal has been welcomed by Tory as well as Labour local authorities. The emphasis will be on the quality of services provided to local people, not on the least cost—the great obsession of the previous Administration until the poll tax, which was about maximum cost and very little benefit.

The third new local government Bill announced in the Queen's Speech will continue our campaign to modernise local government. We are committed to local government that is open, accountable and which secures the delivery of efficient and high-quality services. It will enable people to make choices about how they are governed. If they want a mayor, they will be able to say so in a referendum.

The Bill will also tackle sleaze and introduce a new ethical framework and statutory code of conduct for councillors. I am sure that that will be welcomed by all parties. There will be a bond of trust between the community and those who represent them—an essential requirement for confidence in local government. The conduct of everyone in local government—councillors and officers—must be of the highest standards. The Bill will also give local authorities a new power to promote the social, economic and environmental well-being of their communities.

The Bill will also tackle the culture of intolerance, fear and ignorance created by section 28 of the Local Government Act 1988. No decent person should tolerate the marginalisation and exclusion from society that section 28 promotes. However, I make it clear that repeal of that measure will not provide a licence for abuse. We will not tolerate such things and we will be tough on any such offensives. However, this is a matter of social justice: there is no place in any fair society for the intolerance, fear and ignorance brought by section 28. It has no place in a modern Britain.

Dr. Julian Lewis (New Forest, East): I agree with the Deputy Prime Minister that intolerance of people with minority life styles is entirely inappropriate. However, does he agree that the purpose of section 28 was not to promote intolerance, but to prevent the active promotion, in the classroom and elsewhere, of homosexuality as a way of life?

Mr. Prescott: That was the intention; it was a fair and proper intention. The difficulty has been that the fear of prosecution has prohibited people from talking about the difficulties that youngsters face during puberty and the development of their sexuality. That is what it is about and it is a difficult balance—I will not say that it is easy. People have strong views about the matter and I understand that. The Government's judgment is that section 28 does not help in that process and that we need to repeal it—and, indeed, we shall.

Another matter with which the previous Administration failed to deal—there was much talk about it and they made one or two efforts but failed to do anything—is leasehold reform. For 18 years, the Tories failed to do anything about local government; we are delivering. Similarly, for years they talked a lot but failed to deliver on effective leasehold reform, allowing unscrupulous freeholders to continue to exploit leaseholders. In contrast, we are delivering. Our Bill will reform the present leasehold system to give leaseholders a fairer deal. It will extend choice and make it easier for leaseholders collectively to buy their freehold and it will give them the right to manage their own building. Alongside that, we will create a new type of tenancy, commonhold, which will allow people collectively to own and manage their building from the outset, without the need for a separate freehold.

Those reforms will modernise housing tenure. They are difficult legal concepts, as hon. Members on both sides of the House are well aware. During the consultation process for the Bill we received many highly complex legal proposals, to which we are addressing ourselves. Through the draft Bill outlined in the Queen's Speech, the House can begin to take the first steps to reform leasehold, which is creating a great deal of social injustice in housing.

Mr. Peter L. Pike (Burnley): That is an important and complex issue. The problems associated with leasehold in the south are different from those of long-term leasehold in the north—where there are long-term rentals with minimum conditions, but the new freeholders are pressurising many elderly people. Does my right hon. Friend believe that the legislation will deal with those two very different types of problem, given the complexities to which he referred?

Mr. Prescott: I am well aware of the problem to which my hon. Friend refers. I fought as a candidate for the Southport constituency in 1966. While not all constituencies have problems with leasehold, Southport certainly did. It is a matter of grave concern. The problems are different throughout the country, which is why we embarked on the consultation process and the draft Bill. The House will have an opportunity to continue the debate. My hon. Friend has discussed the matter with Ministers and we will continue to discuss it. We do not underestimate the difficulties and the legal complexities. However, one has to make a decision at the end of the day. We want to deal with all the ramifications. That is our intention in the Bill and it will be welcomed by all concerned.

Mr. Bercow: I am grateful to the Secretary of State for giving way and I apologise for asking him to press the rewind button. Earlier, the right hon. Gentleman said that the substitution of the so-called best-value approach for that of compulsory competitive tendering had been widely welcomed by a variety of local authorities, thereby apparently proving that the producer interests, at least, were on his side. Can he provide a single example of an end user who has welcomed the proposal?

Mr. Prescott: Yes, an awful lot of bodies that represent consumers and actual people in various areas have said that the measure is welcome. They have pointed out that, taking into account the full costs involved in compulsory competitive tendering—social costs, wages and value—it was worse for the taxpayer, who ended up paying a great deal more. The National Consumer Council, which is a

reputable body, made that very point. It is a body that we could claim to have on our side in welcoming best value as it has been introduced into local authorities.

Mr. Barry Gardiner (Brent, North): I am grateful to my right hon. Friend for allowing me to intervene so quickly after two other interventions. I welcome the Government's commitment to the introduction of leasehold reform and commonhold. Is he aware that perhaps one area of agreement with the Leader of the Opposition did not become apparent in the Chamber yesterday? Leasehold reform will be particularly welcome in the borough of Kensington and Chelsea, where there are about 27,000 leaseholders. The right hon. Gentleman might have welcomed the Government's commitment to reform because the electorate there will be so grateful for it that they may keep him in his job.

Mr. Prescott: I shall avoid commenting on by-elections. Leasehold reform may or may not be an issue in that by-election, but it certainly was in Southport in 1966. It is matter of social justice. We are trying to correct matters and bring about greater social justice on leasehold.

Mr. Nigel Waterson (Eastbourne): When?

Mr. Prescott: It is all very well for the hon. Gentleman to say that, but for 18 years the Conservative Government did nothing. Perhaps I should correct that statement: they huffed and puffed but failed to get agreement on legislation. They did not make it any better. People demand leasehold reform because the Tories did not deal with the problem. That is why we have agreed to introduce the measure. Perhaps they can explain to people in the forthcoming by-election how they have done enough and why they do not need to support the Bill. *[Interruption.]* The hon. Gentleman indicates that he will—good, we look forward to him saying that at the by-election.

We are delivering on better local accountability, more local empowerment and better quality local services, including local transport. My Department has received almost 100 local transport plans drawn up by local authorities. They have identified the transport priorities in their areas and can bid for the £700 million that has been made available.

This country faces a great challenge in tackling congestion and pollution. Everyone, including the Confederation of British Industry and the Institute of Directors, recognises that the economic and environmental damage that congestion and pollution cause is unacceptable. To carry on as before would be the most anti-motorist policy of all. Even the motorist organisations readily say that. The Conservatives sat back while congestion costs rose dramatically. The number of cars per mile, despite the investment of about £70 billion, rose from 70 to 100. Despite the tremendous sums poured into the road programme, they did not reduce congestion; we ended up with more.

It became obvious, even to the previous Government in their last year of office, that we could not build our way out of congestion and that the only way forward was to improve public transport. That was clearly stated in the Green Paper produced in the last few months of the previous Administration. It referred to

"a presumption in favour of introducing legislation, in due course, to enable congestion charging".

However, they did not guarantee that they would recycle the revenues back into local transport. Under the right hon. Member for Wokingham, they have reversed their position, as on so many things. I am a little confused.

Mr. Oliver Heald (North-East Hertfordshire): Does the right hon. Gentleman agree that, in considering the transport plans that local authorities are putting to him, there is a case for bypasses where there are traffic bottlenecks? In considering Hertfordshire's transport plan, will he bear it in mind that Baldock in my constituency has an appalling bottleneck that must be tackled? There has been a campaign for a bypass for more than 20 years. It would make a huge difference to the economy of north Hertfordshire. Will he bear in mind the thousands of representations that I have had over the years and give us the money?

Mr. Prescott: There was a common refrain in the House on the road programme, certainly when we were in opposition. The problem with the previous Administration's road programme was that most of it was a wish list with no timetable. They spent all their time doing what the hon. Gentleman did in making a special plea. We have reformed the road programme and taken a different approach.

Mr. Bernard Jenkin (North Essex): You cut it.

Mr. Prescott: Yes, we cut the programme, but the money put into roads by the previous Administration did nothing to reduce congestion. We are talking about transport corridors and further investigation into those areas because we are not against a road programme.

Roads are an essential part of transport. Most movement in this country takes place on roads, by bus or car. There will be constant competing demands from hon. Members for particular schemes in their areas. We are convinced that bypasses can play a part and, as we have already announced, we intend to increase the bypass programme. As my right hon. Friend the Chancellor of the Exchequer pointed out in his pre-Budget speech, now that we have abolished the fuel duty escalator, the extra moneys could be hypothecated to roads and public transport. We are finding the extra resources that are needed to improve the transportation system.

Mr. Owen Paterson (North Shropshire): There is a proposal to build 36,000 houses in Shropshire, where 67 per cent. of people drive to work in a private car. Does the Secretary of State think that that proposal will increase or reduce congestion in Shropshire, where there is a £94 million backlog on the roads? If it increases congestion, will that be good or bad for the sites of special scientific interest in Shropshire?

Mr. Prescott: One aim in changing the road programme was to save about 100 SSSIs, which were already being destroyed by the previous Administration's road plan. In answer to the hon. Gentleman's question about the location of houses and the problem of

[Mr. Prescott]

congestion, the Tory Government's housing policies also contributed to the congestion. We are reconsidering those planning rules. We are not continuing with the massive shopping-housing estates. About 600 of the 900 built in the past 10 years were brought about by the previous Administration. We thought that that was wrong, so we are changing that. We are holding discussions on household growth in a more regional way and we shall report our conclusions to Parliament at the appropriate time.

The hon. Gentleman makes the interesting point that what we do about housing, regional planning and transport all contributes to congestion. We have to balance those factors in making a judgment. We will have to make that judgment and we intend to make it. At the moment, we are being advised by all parties inside and outside the House on exactly how we should achieve that balance. At the appropriate time, the Government must make a decision and I will have to come to the House to explain our priorities and the balance of our judgment in these matters.

Mr. Peter Luff (Mid-Worcestershire): Will the Secretary of State give way?

Mr. Prescott: I must make progress; there is a lot in the speech.

I was saying that the right hon. Member for Wokingham had reversed his position. He came to the House and said that he wanted to deregulate roads and increase speeds, but his leader set up a transport commission to look at the matter again. I wonder what Tory policy is. The right hon. Gentleman comes to the House and says that he has changed their policies and that in opposition the Tories do things differently. He has made that clear, just as he did on the "Today" programme. While he tells us that, the Leader of the Opposition and his colleagues are setting up a transport commission to find other solutions. That fits: the right hon. Gentleman tells us what the Tories do in opposition while his hon. Friend the Member for North Essex (Mr. Jenkin), the transport spokesman, works out how to deal with those problems in Government. No doubt the hon. Gentleman is about to reverse the policy.

I noticed that the Leader of the Opposition made the interesting caveat that they do not necessarily have to accept the conclusions. Yet again, we do not know what the Tory policy is. Clearly, the Opposition are confused. Once they have decided their policy on congestion charging, we should like to hear it.

Mr. John Redwood (Wokingham): Will the Secretary of State give way?

Mr. Prescott: I will give way in a second.

In our last debate on the subject, I could not make up my mind whether the right hon. Gentleman was for or against congestion charging. If I remember rightly, he said that he was against unfair congestion charging. We never worked out what was fair or unfair congestion charging. Has he worked it out yet? Has he talked to the shadow Chancellor of the Exchequer about it? What is his policy on congestion charging?

Mr. Redwood: I have stated our policies clearly. We shall oppose congestion charging in the Bill that the Government introduce. Can the Secretary of State clear up an important confusion that is worrying Londoners and the nation? Does he think that the hon. Member for Brent, East (Mr. Livingstone) should be allowed to run as a potential candidate for London mayor, or does he agree with the Prime Minister that the hon. Gentleman would remind people of the extremism and everything else that made the Labour party despised in the 1980s? Which side is the Secretary of State on in this interesting dispute?

Mr. Prescott: That is an absolutely irrelevant question.

I repeat my question to the right hon. Gentleman. He has said that he is totally against congestion charging, although his document previously said that he was against unfair charging. Does that mean that he now opposes all charges, fair or unfair? Does it mean that the Opposition do not believe what they believed in government—that congestion charging may have a role to play in dealing with congestion problems?

Mr. Redwood: I have already answered that question: I shall oppose, and my right hon. and hon. Friends will support me in opposing, this Government's measures and the congestion charging that they propose to bring in, because the motorist is already unfairly burdened by this miserable Government. Now, will the right hon. Gentleman give us a straight answer—is the hon. Member for Brent, East a suitable person to run for mayor? It is high time that London and the nation were told.

Mr. Prescott: On congestion charging, the House will have noted that many people agree that, with the best will in the world, although we are giving local authorities powers that they may use if they wish, it will be a number of years before they can be implemented. We are making it absolutely clear that we need to improve the public transport system by finding new resources and investing in trains and buses, to ensure that the motorist has a choice. That is the priority in the next few years. That is the Government's intention. Already, there are signs that, where we have used such methods, people are using their cars less and using public transport more.

I shall give the right hon. Member a short answer to his Livingstone point. There is no doubt that any candidate—including myself, euro candidates or candidates for whatever it might be—must agree to sign up to our manifesto. That is a simple principle, and it applies. As the right hon. Gentleman knows, my hon. Friend the Member for Brent, East (Mr. Livingstone) has already been interviewed by the party selection committee, so we must wait to see what happens because things have switched around a bit.

Incidentally, the Conservative candidate has certainly switched about a bit in the things that he does and the policies that he says he supports. He has sharply changed his stance on the underground. He used to say that he wanted it to be kept in its public form—as at present—with bond financing. Now, because the right hon. Member for Wokingham has stated that he believes in a privatised underground, the candidate has made a complete reversal and is saying that he believes in privatisation. In the Labour party, we decide a policy and candidates have an obligation to implement it. They must sign up to the manifesto.

Mr. Redwood: I hope that the right hon. Gentleman has now had a chance to study our great proposal for the

Londoners' tube, which was endorsed by the final two candidates in our very open and democratic selection process for the job of the Conservative candidate for mayor. That, surely, is the way to do it—an open process, which everyone can attend and the media can see what is going on, decided by a democratic vote.

Will the right hon. Gentleman give the House two guarantees? First, will he guarantee that every member of the Labour party in London will get a vote on the Labour mayoral candidate? Secondly, will he back the Prime Minister in saying that the hon. Member for Brent, East reminds us of the extremism of the 80s—yes or no? Does the hon. Member for Brent, East remind us of the 80s? *[Interruption.]*

Madam Speaker: Order. The House has had a very happy knockabout, but I do not recall personalities being in the Queen's speech. Perhaps we can get on and deal with the subject before us.

Mr. Prescott: It is the Government's preference to deal with the substance of policy.

Mr. Michael Heseltine (Henley): On reflection, the Deputy Prime Minister may feel that he was a little unfair to my right hon. Friend the Member for Wokingham (Mr. Redwood) in saying that the question that was asked about the hon. Member for Brent, East (Mr. Livingstone) was irrelevant because he had, in his earlier speech, mentioned the fact that we got rid of the Greater London Council in the early 80s. I was the Secretary of State who—on reflection, I believe wisely—recommended to the Cabinet that we get rid of the GLC. One reason we did so was that the hon. Member for Brent, East was then the leader of the GLC, and he represented an uncontrollable left-wing influence that was damaging to London.

Can the Deputy Prime Minister explain one simple point? What is the difference between what I did, which was to get rid of the GLC and its leader—now the hon. Member for Brent, East—and what this Labour Government are trying to do, which is to stop the hon. Member for Brent, East becoming London mayor? Is not the only real difference that I succeeded but they will fail?

Madam Speaker: Order. I ask the Deputy Prime Minister to deal with the subject before us. As I said earlier, we have had a nice knockabout, but there is a serious debate before us.

Mr. Prescott: Thank you, Madam Speaker, but the abolition of the GLC is an important issue because we are restoring London local government. The right hon. Member for Henley (Mr. Heseltine) said that he abolished the GLC because of the personality of its leader, without regard to the wishes of Londoners for an authority. It would have been a lot better to consult the people of London on whether they wanted to get rid of their local government.

Another important issue is particularly relevant to this debate. When the Tory Government took over from the GLC, they failed to find the finance for London Underground. They nationalised it when they took over the GLC and took responsibility for investment. That is why we now have a major problem of £7 billion of disinvestment in the underground system. That was not a clever move and it was certainly to the disadvantage of London.

One feature of our Bill will be hypothecation. What is the position of the Conservatives on that? They might say that they are not in favour of congestion charging—we shall wait to see how that argument develops—but are they totally against hypothecation, under which any money raised goes directly to improving public transport? We think that that is the right policy. It is a radical departure and a fundamental change in transport financing. We are looking at congestion charging and, as my right hon. Friend the Chancellor announced recently, any money raised by increases in fuel duty above the rate of inflation will go towards improving public transport. That is a welcome new form of finance and it is very different from the Tories approach to transport when they were in government.

Mr. Jenkin: You are spending less.

Mr. Prescott: Yes, spending less; it is the same thing. The Tories are obsessed with a market-led solution. They presided over the disintegration of our national bus network and years of underfunding. In contrast, this Government have found more money for the public transport system. That is why we are beginning to see, for the first time, a reversal of the decline in the number of people using buses. We are beginning to get the necessary resources. At the bus summit last week, the industry committed itself to £380 million of investment—equivalent to 8,500 new buses—because, as the industry would tell the Conservatives if they discussed the matter with it, we have given a vote of confidence in the public transport system.

We envisage the industry playing a central role. Evidence of investment and the integration of transport at local level are becoming apparent. All that is encouraged by local authorities working with bus companies in the quality partnerships that came about under the previous Administration. Where that approach is failing, our Bill will provide powers for statutory quality contracts, better road architecture, more information for passengers and better buses, which will improve the bus service.

Mrs. Anne Campbell (Cambridge): Does my right hon. Friend agree that one way to improve the quality of bus services—particularly in my constituency, where Stagecoach services have been branded a disgrace by the traffic commissioner—is through co-operative competition, which will be promoted by compulsory cross-ticketing? Bus companies should not be able to freeze out a competitor by refusing to cross-ticket and refusing to compete.

Mr. Prescott: Those are important issues. To get the best out of the bus system, we have to have cross-ticketing and information on through travel. The industry has been pressing us for that. Some companies feel that statutory quality contracts may be one way to achieve improvements, in partnership with local authorities.

The Bill will establish the Strategic Rail Authority. There is unanimous support for that. I read the evidence given by the hon. Member for North Essex to the Transport Sub-Committee. Many questions were raised.

[Mr. Prescott]

I do not think that he said that he was fundamentally against the idea; he seemed to believe that it was a useful idea, but did not want it to be used in the way in which I might use it. We have to reassure hon. Members about such matters. I have told the House several times that neither the authority nor I want to renationalise the railways, as the hon. Gentleman knows. I think that the right hon. Member for Wokingham quoted the chairman of the shadow authority on that.

The Select Committee and my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) gave us a great deal of advice on the Strategic Rail Authority. As a shadow authority, it has already begun to renegotiate the franchises to ensure that in future they guarantee greater investment and new trains and services.

As the Queen's Speech made clear, following the recent tragedy at Paddington the Government will ensure that rail safety is a top priority. I am sure that that is the wish of the whole House. Rail is the safest form of land transport, being 15 times safer than travelling by car, but we are determined to make it safer and to re-establish public confidence. After the Ladbroke Grove tragedy, I set in motion urgent action to achieve a more open, responsive and rigorous safety culture throughout the rail industry. As part of that, I have asked for monthly reports on signals passed at danger, which I shall place in the Libraries of both Houses; the first will be made available this afternoon.

That report gives statistics on SPADs for the past 10 years and splits the figures by month. Annual figures show that the total fell gradually from 1993–94 until an 8 per cent. increase occurred in 1998–99. Monthly figures demonstrate the cyclical nature of the problem, with SPADs tending to peak in October and November when damp conditions can lead to poor braking performance. This October, there were five serious incidents, comprising 7 per cent. of the monthly total. However, this October's total was significantly lower than those of the preceding 10 years. Nevertheless, we cannot be complacent. As Ladbroke Grove demonstrated all too clearly, a single SPAD can result in catastrophe.

In addition to the industry investigating every single SPAD, the Health and Safety Executive will thoroughly investigate more serious SPADs, for example, when a train breaches the safety rules and there is an overlap at signals. That is why at last month's rail summit I sought from the industry a commitment to reduce the number of such SPADs, and why, in its report to be submitted to me on 30 November, I shall expect nothing less than a detailed programme of action, on which I shall report back to the House. I have also asked Sir David Davies to undertake a review of the train protection system. All those important steps will improve safety.

Another recommendation of the Transport Sub-Committee was a proposed Bill to deliver safety improvements in aviation by separating the operation of National Air Traffic Services from safety regulation. The Government will never compromise on safety and the measure will enhance one of the most robust systems of aviation safety regulation in the world. Our preferred option on how to achieve the partnership we want is to secure safety regulation strictly in public hands and to split the shares as follows: 49 per cent. publicly held, 5 per cent. held by workers, and 46 per cent. in private hands.

We are now openly discussing those deals and also alternative proposals advanced by the trade unions. We shall have a Government-appointed director on the board, a golden share and a veto built into the licence to protect safety in the public interest. Those are matters of concern, but let no one doubt our commitment to safety or try to stir up safety concerns for ideological or industrial ends.

Our proposals are intended to achieve more than safety. There has been criticism of delays in the public sector programme of investment in NATS. Our proposals will ensure that the system receives the investment it needs—more than £1 billion over the next 10 years—through a partnership with the private sector that frees public funds for other priorities and increases opportunities for NATS in the global economy. Our proposals will allow us to draw on the project management skills of the private sector and to upgrade our systems, while maintaining the two-centre approach at Swanwick and Prestwick, and ensuring public accountability and protection of the public interest. The Bill will deliver a modern integrated transport system that uses innovative financing techniques to deliver better quality services.

Legislation on the countryside and water form an important part of the Queen's Speech. Labour has been the champion of the countryside—one need only look at the history books to see that. Labour Governments developed the planning system and created the green belt; and, since 1997, this Government have added 30,000 hectares to it. A previous Labour Government created national parks, and this Government will establish two more—the south downs and the new forest.

Mr. Graham Brady (Altrincham and Sale, West): Will the right hon. Gentleman give way?

Mr. Prescott: Not at the moment.

The House has often expressed grave concern about the deterioration of the quality of life in our countryside. The 1997 Rural Development Commission report on conditions in the countryside revealed that, after 18 years of Tory Government, 43 per cent. of villages had no post office, almost half had no school and three quarters had no bus services. Those were the consequences of 18 years of Tory Government for rural areas, according to that report. The Government have taken immediate action to deal with all those issues: we have tackled the quality of housing, provided for 1,800 rural buses and improved the local environment.

The Government have also taken a global lead on the environment by brokering for the first time, at Kyoto, a legally binding agreement to tackle climate change. We used our presidency of the European Union to develop policies to achieve that.

Mr. Oliver Letwin (West Dorset) *rose—*

Mr. Prescott: I am sorry, but the hon. Member for Altrincham and Sale, West (Mr. Brady) wanted to intervene earlier, so I must give way to him.

Mr. Brady: The right hon. Gentleman referred to expansion of the green belt. Does he accept that there is

no value in expanding the green belt if the territory that it protects is allowed to be constantly eroded? I know that that is so because I represent a constituency on the edge of Manchester. Such expansion does not preserve city centres or the quality of life in the surrounding suburbs.

Mr. Prescott: We created the concept of the green belt and we are proud of that. The issues that the hon. Gentleman mentioned will be tackled when we consider housing development and regional planning. We shall have to present some judgments on those matters—especially on brownfield sites—to the House. We have set a target for brownfield sites. The previous Administration talked about a 50 per cent. target for building on brownfield sites, yet their record was less than 45 per cent. Their target is now two thirds. We shall make changes and achieve the targets that we set. Our record contrasts vividly with that of the Opposition when they were in government.

We have integrated social and economic policy and conservation is a key theme in the Bill on the countryside, which gives added protection to sites of special scientific interest and to wildlife. When we came to power, more than a quarter of SSSIs had been seriously damaged by the previous Government's policies. In stark contrast, the Government have saved more than 100 SSSIs through our new approach to the road programme. The previous Administration would have destroyed more than 100 SSSIs through their road programme, yet now Opposition Members constantly ask, "What are the Government going to do about SSSIs?" We are unpicking the damage that their policies, especially their road programme, did to SSSIs. The advances help to improve our performance in many of the quality of life indicators that we have published, including those for birds and wetlands.

The new Bill will fulfil the aspirations of millions of people who want to enjoy the freedom of walking across some of our finest and wildest countryside. I remember the wonder that I felt as a boy on my first visit to the lake district. Its beauty has remained with me and fires my passion to preserve and enhance it for all to enjoy. I am proud that the Bill will grant a new right of access to 4 million acres of mountain, moor, heath and down to the many, not the few. That right will not be unfettered. We expect people to act responsibly when exercising it, just as landowners' rights must be balanced by their responsibility to manage their land effectively and sustainably.

The measures that I have outlined constitute the essential features of the Government's campaign for a better and fairer Britain and a better quality of life for all. We want a Britain that puts behind it the Tory years of centralisation, boom and bust and neglected public services. Our programme highlights the contrast between a Tory party that trampled on local government and a Labour party that liberates it; between a Tory party that neglected housing and a Labour party that protects leaseholding and expands housing expenditure; between a Tory party that presided over a fragmented public transport system and a Labour party that is improving it; between a Tory party that is the friend of bigotry and intolerance and a Labour party that believes that everyone has equal worth; and between a Tory party that believes that the open countryside should be the preserve of the rich and the few and a Labour party that makes access to the countryside a reality.

The Government are committed to enterprise, fairness and a better quality of life. Our legislative programme exemplifies the contrast between Labour and Tory Administrations, and I heartily recommend it to the House.

12.39 pm

Mr. John Redwood (Wokingham): I have declared my interests in the register, but I am not speaking on their behalf.

We all enjoyed the Deputy Prime Minister's contribution and it was good of him to arrive for the debate in the nick of time. We thought that he had fallen foul of his own congested transport system. He managed to prove us wrong on this occasion, although I am sure there will be others. Indeed, at a conference at which I was speaking only this week, the Labour representative was unable to turn up owing to the tremendous traffic congestion and transport chaos in London.

At business questions, the Leader of the House criticised the Opposition for not wishing to talk about agriculture during today's debate. I can reassure the House that we regard agriculture as crucial in the countryside. We have chosen the countryside as one of today's themes and, in recognition of how important we think it is, our shadow Cabinet agriculture spokesman, my hon. Friend the Member for South Suffolk (Mr. Yeo), will wind up the debate. He will have a great deal to say about the enormous damage that Labour is doing to the countryside in general and the agriculture industry in particular. We feel that Labour does not understand that a good agriculture industry is crucial to the maintenance of our landscape beyond the towns and cities, and my hon. Friend will stress that in his winding-up speech.

The Queen's Speech reveals that new Labour is guilty of deception under the Trade Descriptions Act 1968, for there is nothing new about this programme and nothing new about these Ministers. My young and active Conservative Department of the Environment, Transport and the Regions team faces a—*[Interruption.]* Ministers should not object, as they are considerably older than the shadow DETR team. Everything is relative. My team faces tired, burnt out, worn out Ministers who already look as if they have been in office for more than a decade, and so quickly have they made mistakes and so rapidly have problems emerged that the state of the country is bad enough to imply that they have.

The Deputy Prime Minister is wallowing in the past: he is interested in the history of 10 or 15 years ago, and reluctant to talk of the future because he knows that his party has numerous problems in deciding what candidates it should field in important elections and what policies it should put before the House. The only remedies peddled by the Government to cure the nation's disorders are more laws and more taxes. Most other people in the country have already worked out that our problem is too much tax and too many laws, not a shortage of either. There is no vision in the Queen's Speech to renew great cities, to improve our schools, to sort out our hospitals or to solve the transport crisis that the Government are creating. All we get are old Labour ideas from old Labour figures dressed up from time to time in modernisers' clothes.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I am very interested in the right hon. Gentleman's

[Mrs. Gwyneth Dunwoody]

remarks about age. Are we to take it that Conservative Front Benchers are now so ageist that they talk not about the quality of their spokesmen but only about their ages?

Mr. Redwood: I talked about the quality of the members of our team and said that they are energetic and have many good ideas. I was contrasting an Opposition brimming with ideas to improve this country, with a tired old Government who do not know what they are doing and have lost their way. The Labour Government are gluttons for punishment. I am glad that the hon. Lady smiles at that; she knows that there is some truth in it.

In the midst of the fiasco of trying to choose a candidate for mayor of London, Labour has decided to re-enact the same scenes all over the country—it wants a Bill to bamboozle many more towns and cities into having executive mayors. Let me make a personal comment to the Secretary of State: he is ill-advised to embark on such a course and I ask him to pause and consider the pattern that is emerging. First, a Secretary of State is briefed against for not doing his job well. Then newspaper reports, from sources close to No. 10, say that he is under threat of losing his job. Then comes the dreaded phone call saying, "Alun, we want you to go to Wales and stay there. Frank, you would make a wonderful mayor—just give up the health job." The present Secretary of State has already experienced the first two parts of that worrying pattern: saturation briefing against his competence and question marks over his future.

If the Secretary of State passes such legislation, will he get a call telling him that Labour is desperate for a candidate it can trust to be mayor of Leeds or Liverpool? How many mayors does he think there will be under the proposal? Are there enough Cabinet members in disfavour to fill all those new slots? Can we be told who will be facing a merry Christmas in the Cabinet? We have a right to know. Is this Labour's new deal for Cabinet members—resign and be offered a job as a mayor?

The Opposition think that Labour should stop bashing local government. We believe that if a council wishes to keep a committee structure, in which all councillors can be involved on an even footing, it should be allowed to do so. *[Interruption.]* The Government do not like this at all, because they know that there is much that is good in the present system of local government, which they intend to sweep aside. The Secretary of State could not even answer the sensible intervention from my hon. Friend the Member for North Wiltshire (Mr. Gray), who asked whether he would allow councils to keep the present system. The right hon. Gentleman must make up his mind, and we urge him to make up his mind in favour of their doing so.

Mr. Gray: I am grateful to my right hon. Friend for giving way. Did he notice that, in answering the intervention to which he refers, the Deputy Prime Minister not only did not seem to know what the fourth option would be, but suggested that I should wait for the publication of the Bill? Was he not aware that it was published six months ago and has already undergone pre-legislative scrutiny?

Mr. Prescott *rose—*

Madam Speaker: Order.

Mr. Redwood: I willingly give way to the right hon. Gentleman.

Mr. Prescott: As the right hon. Gentleman knows, the Bill was published in order to allow the House and the Select Committees to study it and make recommendations. We are now considering those recommendations and will report back on them.

Mr. Redwood: My hon. Friend the Member for North Wiltshire has won game, set and match, but let us put that on one side. Anyone can make a mistake.

The important thing is that the Secretary of State should understand the anger, in Labour as well as Conservative local government, at the prospect that existing practices would not be allowed to continue under his proposed legislation. I urge him to think again. If he does not, we shall table amendments that would enable the existing system to continue. We regard this as another of Labour's modernisations, which would drive a bulldozer through the checks and balances of our local constitution, exactly as the Government have done in our national constitution.

Mr. Brady: I am grateful to my right hon. Friend for giving way. He may be interested to know that the borough of Trafford has embarked on a cabinet style of local government already, and that many Labour councillors are feeling excluded from the process and increasingly frustrated at their inability to do their jobs.

Mr. Redwood: The Secretary of State has a great deal of thinking to do, to try and make the councillor's role a decent, good role in some of the models that he is proposing, especially in his model of the elected mayor, which represents a massive downgrading of the elected council and councillors. He has never explained how that would work, and we look forward to seeing more of the details, as doubtless he rewrites the Bill as it goes through the House, and guillotines it at the end, in the same way as he had to rewrite much of the Bill dealing with the government of London, and then decided to guillotine it so that we could not debate pages and pages of substantial amendment. That is how the Government have been bulldozing our constitution, both nationally and locally.

The Bill has been designed by people who do not believe in local democracy and whose idea of devolution is that anyone living under devolved government must accept whatever central Government want. Labour cannot accept the idea that a mayoral candidate for London might ever disagree with the elected Government. "Perish the thought," they say, "that the Welsh Assembly should wish to do something different from that which the Prime Minister seeks." It is an odd style of devolution that entails all the extra costs of more officials and more politicians but gives none of them the right to independent thought or action. For those and other reasons, we will give the local government Bill strong opposition. We are against mayors made in Downing street.

When it comes to his transport policy, the Secretary of State is becoming a joke. We know that the Prime Minister is seriously worried that DETR is upsetting all

the motorists. We saw in a recent television poll that the Government are in deep mire with their record on transport. When people were asked in the poll whether the Government had a good record on transport, 79 per cent. said no, they did not, and only 16 per cent. said yes they did. The public have got this one entirely right, and the Secretary of State should be deeply worried that he has upset not just the Prime Minister but so many people trying to travel round the country.

We know that the Government are so worried that the Chancellor has been prevailed upon to moderate his language about the fuel escalator, but he has not yet changed his actions on the petrol tax. People will not thank the Government until they are absolutely sure that it is not just the words that are changing, but that the deeds will change as well.

Mr. Prescott: It is a Conservative tax.

Mr. Redwood: It is not a Conservative tax. The last increases in fuel duties were introduced by a Labour Government and a Labour Chancellor, at a higher rate than any that the Conservatives introduced, from a higher level of the duty. We are against it; the Government are in favour of it, and they cannot wriggle away from the responsibility. The Deputy Prime Minister seems to think that he has not been governing the country for the past two and a half years. Perhaps he has not, but the public believe that the Government have been governing the country and they know that it was this Government's Budgets that put the price of fuel up so much: it could hardly have been done by the outgoing Conservatives, who can no longer put through a Budget.

Mr. Prescott: Will the right hon. Gentleman tell the House in what year the fuel duty escalator was introduced and by which Government, and who now proposes to abolish it?

Mr. Redwood: When a new Government come into office, they have to decide on their policies. This Government decided to put the fuel duty up in each of the Budgets that they have introduced. They not only decided to put it up, but they put it up by more than the Conservatives, and from a much higher level. The Deputy Prime Minister should remember that we opposed the Government's increases in fuel duty. We are now asking him to come clean. Will he tell us that they have finished with increases in petrol duty? Will he promise us that there will be no further increases in petrol duty for the lifetime of this Parliament and under this Government? Will he give that guarantee?

Mr. Prescott: I think that the right hon. Gentleman has now confirmed that a Tory Government brought in the tax and that a Labour Government are now committed to abolishing it. That is precisely the position. Any increases in the duty that my right hon. Friend the Chancellor of the Exchequer was prepared to consider over and above the inflation rate, he would hypothecate to public transport. Do the Opposition agree with that degree of hypothecation if we introduce it?

Mr. Redwood: I think that the Deputy Prime Minister has confirmed that the Chancellor of the Exchequer reserves the right to increase fuel duties not just in line with inflation, but by more than inflation. That is exactly my point. This is a dishonest Administration. They say that they are abolishing something when they have no intention whatever of abolishing it.

Mr. Oliver Letwin (West Dorset): Has my right hon. Friend noticed, as some of us have, that, in the Red Book, the Chancellor has predicted a 5 per cent. increase in the total take from fuel duties next year?

Mr. Redwood: I am grateful to my very learned hon. Friend, who has read the Red Book carefully and confirms my point. We cannot trust the Government on the fuel duty. It is very obvious that they will increase it.

Mr. Bercow: Given that currently £17 out of every £20 spent at the petrol pump goes directly to Treasury coffers, and that, during his oration, the Deputy Prime Minister blathered on about the principle of fairness, does my right hon. Friend agree that the Deputy Prime Minister should tell us whether he believes that it is fair that 85 per cent. of the spend on petrol goes to the Treasury? If he does not, at what alternative figure does he propose to aim?

Mr. Redwood: That is a very good question for the Deputy Prime Minister and I am sure that he will not be able to answer it. I do not know whether he wishes to try to answer it.

Mr. Prescott: The record is clear on the matter of raising fuel duty. Under the previous Administration the tax on fuel went from 7p to 42p a litre, and the money that they raised from the motorist was increased from £4 billion to £21 billion a year, but they spent less of that on transportation systems.

Mr. Redwood: As I thought, the Deputy Prime Minister was not going to answer the question, because he has not a clue about the answer to it. Let me make a prediction. The right hon. Gentleman thinks that he has a deal with the Treasury on hypothecation, but he will find that other parts of his budget are cut to allow for the fact that he now has his hands on a little bit of the money that he is raising by way of extra taxes.

Mr. Paterson: The Deputy Prime Minister failed to point out that when the fuel escalator was introduced, only two countries in Europe had lower fuel prices than the United Kingdom. We now have easily the highest fuel prices, with the cost of diesel twice what it is in Spain and three times what it is in Turkey. The real humbug—

Mr. Prescott: That is why we are abolishing it.

Mr. Paterson: Will the Deputy Prime Minister contain himself and stop interrupting?

Last year, Madam Speaker, you kindly granted me an Adjournment debate on the crisis in the road haulage industry. At that time, I said that the Government were abusing the duty for general taxation purposes, but the then Economic Secretary said:

"That is not the case."—[*Official Report*, 11 November 1998; Vol. 319, c. 349.]

[Mr. Paterson]

In last week's pre-Budget statement, however, the Chancellor said that the duty would be used for general taxation.

Mr. Redwood: That is a very powerful point. We well know that the Deputy Prime Minister has been rolled over by the Treasury on all sorts of matters—not least his failure to get decent money for investment in the London underground and for other necessary public transport investment.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman explain how he would fill the black hole that would be created by cutting taxes on fuel and building 100 extra roads, which would represent an extra £3 billion of expenditure and lost tax in year one, not even taking into account the fact that he would not have any road toll charges? Would he cut health or education spending?

Mr. Redwood: The Government have not been taking account of the sensible, common-sense policies being launched by the Opposition. We intend to have a good sum to spend on health and education—we have always matched what the Government have offered on those—while having a lower overall total of public spending. I shall give two examples from my own budget: we said that we would abolish the regional development agencies and privatise the tube, taking all that expenditure out of the public accounts.

It is therefore easy to see how we can get by with lower taxes and lower overall spending while having extremely good, perhaps even higher, spending on services that really matter, such as schools and hospitals. Deliberate misinformation by the Government means that the point has not been understood, but many of my right hon. and hon. Friends with shadow ministerial briefs have also identified, as I have, areas where we would not match the Government's spending because we think that it is wasteful. This is a tax-and-waste Government; we would be a more sensible Government.

Mr. Dale Campbell-Savours (Workington): Did I hear the right hon. Gentleman correctly when he said that he would privatise the tube? Is that the position of the Conservative candidate for mayor of London?

Mr. Redwood: It has been our mayoral candidate's position for a very long time. I recommend to the hon. Gentleman the Londoners' tube scheme, which includes free shares for all Londoners. That scheme will be very popular and our candidate will have great fun in putting it to London voters.

I have been deflected by interventions for rather a long time, and I must now make progress on some of other measures in the Queen's Speech. The main problem with the Secretary of State's transport Bill and policy is that they cannot possibly work. We still have no idea of what timetable the right hon. Gentleman has in mind for the Bill, let alone what transport it seeks to regulate. He recognises that people want to travel more and there is congestion, so he decides that the one thing to do is cut the capacity of the system.

The Government have failed to create conditions to increase rail capacity, and road capacity is cut by installing bus lanes on motorways and placing all sorts of impediments on main highways to stop or reduce the flow of traffic. Meanwhile, the Secretary of State cuts almost every bypass and road-widening out of the programme. The answer to travel congestion is more capacity. We need more capacity on public transport and we need to maximise the use of existing main roads and improving some of them.

Now I hear some people asking for a consensus approach to transport. Well, if the Government want that, they must start responding more positively to many of our good ideas that would make the situation much better. Has the Secretary of State read our ideas in "The Common Sense Revolution" which would increase the flows on our main roads? Why will he not take such action? Has he read our proposals for a Londoners' tube, with a massive increase in investment and capacity? Why will he not take that action? Has he seen our proposals for better car parks at bus interchanges and train stations? Why will he not get on with doing that?

The Government have only one answer to congestion—blame and tax the motorist. If the motorist is moving, tax him, and get him through the congestion charge. If the motorist is stationary, tax him, and get him through the parking charge. Now that some of the traffic jams in and out of our main cities are so bad, motorists fear that they will have to pay both the congestion and the parking charges while in the traffic jam.

Mr. Christopher Leslie (Shipley): Given the right hon. Gentleman's interest in investment and private enterprise in London Underground and his position as chairman of Mabey Securities Ltd., will he tell us whether he is getting money into Mabey Securities via its sub-company, Mabey Construction, which is now outside the Palace of Westminster, building half of the Jubilee line?

Mr. Redwood: I made it very clear at the beginning of the debate that I am not speaking on behalf of any business interest, and I would not waste the time of the House putting forward a business case. That is something that I do in my private time outside the House, and I am in no way inclined to use the opportunity of this debate to further any business interest that I may have, so I shall return to the subject of the debate.

We all know that taxing the motorist off the road does not work. Labour has tried it for two and a half years, and traffic has grown. It has grown because people need to move around, and as more people get jobs, so more people have to travel to work. As people want more leisure, they need to travel to cinemas, theatres, clubs and pubs, and many of those journeys cannot be undertaken by bus or train, so people go by car and pay the extra tax.

The congestion problem on our railways and roads will not be solved by legislation, but it could be eased by investment. Traffic jams will be made worse by building too many homes in the countryside. Standstill Britain needs steadfast Government to tackle the problems. Tax and spin are not man enough for the job. We need common sense and better travel facilities.

Today, an embarrassed Secretary of State will want to take attention away from his heroic failure in transport by talking of his green ambitions.

Mr. Peter Bradley (The Wrekin): If there is to be no new housing in the countryside, where will country people live?

Mr. Redwood: Our policy is not to say no new homes in the countryside. I shall come to the point later, so if the hon. Gentleman is patient he will benefit from listening yet again to our popular and good policy on where new development should take place.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): Will the right hon. Gentleman give way?

Mr. Redwood: If I may answer this point, I shall then come to another point from the hon. Gentleman.

The Secretary of State will never be trusted as green or with our countryside unless he lifts the threat of the bulldozer from so many of our green fields. He has shocked the nation by his refusal to throw out the Crow report which proposes 1.1 million new homes in the south east, half of them on new greenfield sites. It is no good his saying that he has to treasure and study the report. The report is so off the wall that he should just say so and announce a better policy.

We say that in some areas where there has been a lot of pressure from development and where unemployment is low, local people and councils should have the right to regulate the amount of new house building. We are not saying that there will be no new development on greenfield sites; we are saying that there should be much less than the Secretary of State proposes, and we are identifying a local democratic way in which communities can have their say and can have an influence.

Many Labour Members think that that is a good idea and wish that their Government would propose it. I pay tribute—uncustomarily, one may think—to those Labour Members who have spoken out about their areas in the south-east where they would like building on greenfield sites. I can reassure them that, come the common-sense revolution, we shall be happy to accommodate their views. We are delighted that they wish to make a contribution. Any area that wants housing on green fields, whether a country area or not, will be welcome to have it under our plans.

Mr. Peter Bradley *rose—*

Mr. Redwood: I am sure that it is a mistake to do so, but I give way again.

Mr. Peter Bradley: Is the right hon. Gentleman aware that in the early 1990s, when I believe the Conservative party was still in Government, the Rural Development Commission estimated a need for 80,000 social housing units for rural communities, but only 17,700 were built? Can he explain how the common-sense revolution has introduced new policies, that were not in operation when the right hon. Gentleman was a member of the Cabinet, which will secure for the next generation of rural dwellers the affordable housing that they desperately need and which was denied them for 18 years under his Government?

Mr. Redwood: As I have made it clear, if a local community wishes to build homes of the type that the hon. Gentleman proposes, they will be free to do so under our policy of trusting local councils and local communities rather more. Obviously, decisions will also be dependent on Government funding if they wish to have an element of taxpayer subsidy. That will be decided year by year in the usual budgetary way.

We are not against the provision of new homes. Many new homes will be needed, and we would like to see many more of them built in the towns and cities. For example, there is a great opportunity in the east Thames corridor which requires some strategic leadership and vision of the kind that we gave in the 1980s by starting off at the western end with the docklands development. I trust that the Secretary of State will take that as sensible advice and might even come round to that view as he studies the unfortunate Crow report.

The Secretary of State must understand that many of the people who will be seeking new homes in the next decade—there will be many such people—would like to buy modern flats and houses in towns and cities, and it is up to the Government to do a rather better job of freeing up the brownfield sites in the public sector, cleaning them up, making them available and expediting the planning permission. *[Interruption.]* Now we come to the history lesson. I shall not take any history lessons from the Secretary of State on urban renewal. He has only to go a few miles from Westminster to see one of the greatest urban renewal successes that the world has ever seen in the form of the massive docklands redevelopment. I am asking him to take that model, or something like it, and carry it further east and take it to the heartlands of the northern and midlands cities.

Recent studies show that unemployment is rising in the Labour heartlands in the north and the midlands. We see that the great divide is becoming worse. The Government are presiding over a disunited Britain. They are concentrating too much development in the south and are not offering enough investment and development in the north. They need to tackle that as a matter of great urgency.

Why cannot the Secretary of State make up his mind on the many good proposals in the Rogers report on urban renewal, and come to the House to make a full statement and be cross-examined on them? Why does he not launch a blitz on brownfield sites to bring them back into use? He cannot be serious about people using public transport more if he presses on with plans to locate over 1 million people on greenfield sites in the south-east without proper access to trains and buses. Let us not pretend: those people will not have proper access to trains and buses if that kind of suburban development is encouraged. Greenfield development clearly favours using the car and the already-congested motorways.

The Secretary of State's biggest embarrassment must be the Government's decision to sell a chunk of National Air Traffic Services. Before the election, the now Chief Secretary told everyone that our air was not for sale. Many Labour candidates and Back Benchers believed him, as did many members of NATS staff. Unfortunately, it turned out to be another great Labour lie. The policy will be deeply unpopular, and I strongly object to the way in which the Secretary of State proposes to go about it.

Instead of selling 100 per cent. to a wide range of British shareholders—giving existing managers and employees a real stake and a real say in their business—

[Mr. Redwood]

the Secretary of State intends to sell around half, surrendering control to a single trade buyer, which could be a foreign company. He will be willing to sell control of our airways at less than half a fair price—perhaps to a foreign interest. The taxpayer will be robbed, and the national interest may not be looked after properly. NATS needs massive new investment. It does not need a foreign owner buying it on the cheap to make a quick buck. Will the Secretary of State confirm today that these contentious matters will be covered by primary legislation? Will he promise not to guillotine or stifle debate on this most sensitive subject?

I appreciate that many Labour Members who oppose this part of the Bill want a different future for NATS from the one that the Opposition would like. I would never embarrass them by suggesting that we agree on what we would like to see in place of the present system. We do not agree on that, but we have a strong common interest in voting down this miserable proposal from the Government. Many decent Labour Members and the Opposition agree that the proposal is wrong for the staff of NATS, wrong for the taxpayer and wrong for Britain. I urge the Government to think again before they get into a mess on the Floor of the House with the Bill.

The Queen's Speech is full of measures which will make life worse. It is a meddlesome, bureaucratic and wrong-headed programme. It is the work of modernisers who want to destroy any institution that they have inherited without having something better to put in its place. The Government are failing to deliver on transport, and they have created standstill Britain.

The Government are now on a collision course with their own supporters over public-private partnerships for the tube and in the air. The Government can look forward to a series of rows over future mayors as they seek to destroy councils. The battle between the hon. Member for Brent, East (Mr. Livingstone) and the right hon. Member for Holborn and St. Pancras (Mr. Dobson) is billed as the battle for Labour's soul—so will the battle over NATS be. We will discover that the Government have no soul. They have only a set of empty soundbites, as they fail to deliver the promises and the hopes that swept them to power.

1.8 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): The country has waited a long time for a transport Bill that will begin to address what has been, in effect, 20 years of total destruction of an integrated system. In my county, the bright new white rural rider buses are providing desperately needed services for many villages which had been deprived of almost any kind of efficient bus service.

The Government have demonstrated that they are prepared to tackle the important aspects of planning—which will integrate and improve the lives of people in rural and urban areas—and to think in the long term about the needs of a modern society and of the United Kingdom in the next millennium.

Above all, I believe that the decision to include legislation on the railways as part of the new transport Bill will at long last give sufficient muscle to the Deputy Prime Minister to allow him to do what he has long wanted to do, but has been unable to do because he has not had the primary legislation at his command.

The Transport Sub-Committee was honoured to be asked to consider the railways legislation and to make recommendations on aspects that we thought could be improved. Most of us received the bulk of the Bill with acclamation. We took evidence from anyone who wanted to draw attention to particular aspects. Opposition members of the Committee made it clear that they did not regard the process as a means of negating their right to oppose the Bill in its entirety, but they were prepared to take part in the detailed examination of the evidence that was presented to us.

The Strategic Rail Authority is the kind of development that a fragmented and destroyed railway system desperately needs. At the time of privatisation, the previous Government clearly did not consider that the railways would be used by more passengers in the future; they did not care about them. They decided that the system, which was clapped out and had had no real investment for 20 years, should be removed from the Treasury as quickly as possible, irrespective of the chaos that would follow.

Some years after privatisation, the railway system is still in the most appalling mess. Some companies are facing up efficiently to the need for new rolling stock and integrated services, but others are failing disastrously. There are problems not only with time-keeping but with integration between one service and another. Recently, a Labour Member of Parliament was told in my hearing on the west coast main line that the train to Wales would not be held for her because it was run by a different company and the fact that our train would be late meant that the connection would be disregarded.

We still have a long way to go, but the Sub-Committee believed that we should consider certain matters with great care. We want the Strategic Rail Authority to state plainly its aims and objectives for a new rail system and to consider how it can draw certain lines of demarcation. We want the regulator's powers and its relationship with the authority to be set out clearly, and we want safety to be addressed with some urgency.

We considered that many aspects of the legislation are extremely hopeful and should be commended. The SRA will be supported by the general public, who are conscious of the need for the forward planning that has been sadly missing from a system that has been torn apart at the roots. They want better timetable planning and better information, but above all they want to feel that the passengers' interests are at the top of the league of needs.

We hope that the membership of the SRA will include passenger representatives. We think that the existing passenger organisations need greater support; they certainly need proper funding and more immediate powers. Above all, the SRA must represent at the top level the interests of those who use the services. It is not good enough simply to say that we are thinking of changing many aspects of our railway companies without considering the impact on the passenger. Whether passengers are commuting to work or using the services for holidays or business, it frequently seems that their interests are the last thing on the companies' minds.

The acquisition of new rolling stock and the provision of high-quality services must be an urgent matter for the companies. We rely on my right hon. Friend the Secretary of State to ensure that when the franchises are being renegotiated the Strategic Rail Authority considers not

only the companies' safety record but their investment record and the quality of the service that they are providing now. Frankly, if, after this many years of operation, a company cannot guarantee a good quality of service for its existing passengers, promises about what it will do in the future may ring astonishingly hollow. That is still the case for far too many companies and organisations throughout the rail industry.

Not only do we welcome this long-overdue Bill, but we think that the Strategic Rail Authority will transform much of the planning for railways in the new century. However, safety will inevitably concern everyone using every form of public transport. The references to safety in the Bill were fairly limited because of existing legislation, but the general public will want extra reassurance. Those of us who know about transport know that people who travel by car face safety problems every day of their lives—much more frequently than those who travel by rail or air. Nevertheless, a bad incident, such as the rail crash at Ladbroke Grove, not only makes people deeply concerned, but makes them feel at risk. No matter what reassurances are given by individual companies, people will want to know that legislation is in place to provide that safety measures are the most important aspect in the rail companies' day-to-day operations.

Mr. Gray: The Bill considered by the Environment, Transport and Regional Affairs Committee, on which I serve, is entirely different to that proposed in the Queen's Speech. The new Bill proposes the privatisation of National Air Traffic Services. Does the hon. Lady think that that privatisation will increase air safety, or decrease it?

Mrs. Dunwoody: I shall come to National Air Traffic Services in a moment, but I should first like to speak briefly about the Railways Bill and the work done by the Select Committee.

My Committee was asked to look, in a pre-legislative way, at an existing Bill. Much time was spent on getting the evidence into a shape in which it could be presented to the House of Commons in quite a short time. I should like to record my appreciation of the work of all members of the Committee, who sat through many hours of evidence. I also wish to thank the Clerks and the support staff—they did a fantastic job of getting the report ready before the end of the previous Session, so that we could consider the reintroduced Bill in this Session. I must say that although this is a useful way of considering legislation, it requires a great deal of work and puts considerable pressure on Members of Parliament and on the support services which Select Committees have at their beck and call. I hope that if this is to become an accepted method of consideration, the House of Commons will think seriously about whether it is prepared to give the Select Committees enough support.

We will expect the SRA not only to set out its aims and objects in very specific terms, but to include new members and passenger representatives. We will expect the Deputy Prime Minister to set out quite precisely the role of the franchising director and the head of the SRA. It would be unfortunate if there were any confusion about the various responsibilities which could have an effect on the railways.

It is also vital that the SRA publish an annual report, which the House of Commons has the right to examine—in common with passenger organisations—and debate. We ought to know what the authority is doing and how efficiently it is being done.

I would have liked more discussion of pensions. When franchises come up again, it will be essential that those who work in the railway industry—existing pensioners and those who expect pensions—should be certain that franchise companies will not regard pension funds as a nice golden pot available for exploitation. It would be quite wrong if pensions funds to which people have contributed over many years became a bargaining chip among the economics of differing franchise companies. I am sure that the Deputy Prime Minister is aware of how sensitive that matter is, and that he will make sure that there can be no doubt about where ownership of the funds lies. There have been problems in the bus industry in the past, and we are sensitive about this matter.

Let me turn to aspects of the Bill that seem fairly controversial. I do not drive. I am driven more often than not, mainly because I have the nasty habit of composing my best speeches after I have left whichever meeting I have just attended, and that is not the ideal frame of mind in which to drive a car. However, I know how deeply wedded people—particularly males—are to their motor cars. I am often astonished that more babies are not born with wheels rather than feet.

Motorists seem frequently to approve wholly of proper transport planning as long as it does not deprive them of their own cars. Unless the Government begin to tackle congestion in our towns and cities, gridlock will soon result. It will not matter how many cars anyone owns as all of them will be sitting in a traffic jam.

Before the general election, my Committee studied countries that have understood the relationship between congestion charging—and motorway tolling, although that is not under discussion at present—and the provision of proper transport services. Norway has tied together charging with the provision of high quality services. People appreciate and respond to that. I do not pretend that motorists in Norway are deeply enamoured of having to pay, whether by smart card or any other means, but hypothecation has enabled them to see the direct link between what they pay and the standard of provision in particular cities.

Unless the Government take charge of congestion in our cities, we shall not be able to move. All the emotive rubbish about how we are trying to deprive people of their little tin boxes may be of use in party political broadcasts, but it runs counter to the basic system of transport planning for the new century.

I shall finish on safety. My Committee recommended the creation of an independent safety authority, not just for railways but for aviation and maritime affairs. We did so because the general public are concerned that when, for whatever reason it may be, an industry hands over some responsibility to private companies, there will be a clash between the interests of directors who are responsible for raising money and profits and the interests of passengers. That fundamental worry is the same for transport by air, rail or sea.

It is essential, therefore, that the Government respond to the clash of interests that the Committee perceived in the Civil Aviation Authority. Putting the safety unit's

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responsibilities at arm's length would reinforce people's comfort, and the same would be true of the railway industry. The Deputy Prime Minister has said that he is minded to remove the responsibility from Railtrack, and I want to see fairly urgent action on that. I want Railtrack to be told that it will no longer have the strategic unit within its organisation, because there will be a clash of interests, and from the passengers' point of view it is vital that we are seen to be dealing with that as urgently as possible.

One approach would be to fund an independent unit to cover the inspectorates of all those industries. It would be seen to be independent and would report directly to the Deputy Prime Minister, so it would have a connection with Government that would enable it to set out clearly the need for particular responses both to accidents and to future planning.

People using passenger services, whatever form of transport that involves, want to be convinced that the requirement for their safety is laid down so precisely that the companies have to respond to it and will not be able to say—as, frighteningly, some said even after the latest rail accident—that there might be a point at which they would not tolerate an independent person telling them what safety standards to adopt and what kinds of investment and responses they should make.

I find it extraordinary that in Railtrack, a massive company with direct responsibility for safety, the only person who resigned was the person in charge of public relations. That seems to me to set an interesting standard for responses to such problems. I would have liked the directors of Railtrack to think seriously about whether they should resign, because of their own responsibility and the way in which the public regarded their performance.

As for National Air Traffic Services, I have no doubt that the Government are wholly committed to maintaining safety, but my Committee recommended a number of ways in which non-profit organisations could not only raise the money needed for new equipment, but perform at the same high level of safety as was achieved before, and as we would expect for the future.

I hope that during the passage of the Bill the Deputy Prime Minister will be able to consider carefully what we have suggested. Non-profit organisations seem to me to be the answer. It is not sensible to hand over air traffic control to a private company whatever its nationality—although I find it difficult to worry too seriously about Her Majesty's loyal Opposition's views on foreign ownership. I am afraid that in my constituency both Rolls-Royce and what used to be British Rail Engineering are now German owned, and several other major companies are foreign owned. When I said at the time that I did not think that that was in the national interest, I was informed that my views were narrowly based, nationalist and old fashioned. Indeed, I suppose that the right hon. Member for Wokingham (Mr. Redwood), who speaks for the Opposition, would say that I was old as well, which would automatically disbar me from holding a sensible view.

The Bill gives us the opportunity for the first time to deal with a transport system which had become disintegrated, disorganised and unresponsive to the needs of ordinary members of the public. I am sure that the Government are certain that it will carry us forward into a new, planned and developing economy.

My Committee and I believe that this is the first serious attempt for perhaps 20 years to begin to plan the investment in, and the development of, our railway industry and the other related activities that we want to expand, such as rail freight and the efficient use of light railways. I am convinced that that attempt is positive and useful, and I congratulate the Deputy Prime Minister. We now have a serious Transport Minister in post—something that we have lacked for so long that it is difficult to believe that at last we have one.

1.30 pm

Mr. Michael Heseltine (Henley): I listened with some scepticism to the Deputy Prime Minister's rather overblown assertions about the benefits of the constitutional reforms that the Government intend to extend to local government. I should have thought that a certain modesty might have attended upon his judgment of the consequences of their constitutional reforms of the past two years. I very much doubt that when the Government introduced an Assembly in Scotland they anticipated that Labour would not control it. The inevitable consequence of the present circumstances is that on the next economic downturn it will be controlled by the Scottish Nationalists and the United Kingdom will face a major constitutional crisis.

I read with incredulity references to making the constitution for local government more accountable. We have an Assembly in Wales, but when it passed a vote of censure on a Labour Minister, where was the accountability? It was dismissed as though it were of no consequence whatever.

As for the House of Lords, the Government's action was one of political spite. There is no constitutional reform; they have simply decided to get rid of the hereditary peers and replace them with a committee. The virtue of the committee was that it enabled no decision to be taken about an alternative or any reform. We all know—especially those of us who listened to the late Enoch Powell and Mr. Michael Foot—that there is no reform that the House will pass that will create a credible House of Lords, as any such reform would deny the powers of the Commons. The Government can therefore only deal with the hereditary peers and face up to the fact that there is no constitutional integrity in any proposed reform, as we will find in the not too distant future.

I should have thought that those arguments would weigh in the mind of the Deputy Prime Minister as he tried to persuade us that we would benefit from his innovations in local government. In London, the situation is farcical. Everyone knows that the Labour movement wants the hon. Member for Brent, East (Mr. Livingstone) to be mayor. It is quite evident that he carries the overwhelming support of the Labour movement. So what is his crime? Why are we going through this charade? *[Interruption.]* The Deputy Prime Minister is quite right to leave at this point, but I am sure that he will consult *Hansard* because I am about to explain why the Government do not want the hon. Member for Brent, East to be mayor.

The hon. Gentleman has committed the ultimate crime: he says in public what the vast majority of Labour Members believe in private. His only crime is living up

to—and owning up to—the essence of what the Labour party is all about, and that has to be stifled to ensure that London does not get the choice and the man that the bulk of the Labour party supports as the potential candidate. So all the stuff about accountability and constitutional reform turns out to be ill-judged, short-term and not thought through. I therefore approach the overstated claims of constitutional reform in a mood which is a great deal south of zero when I hear them being repeated today.

I shall concentrate on two lines in the Queen's Speech about the reform of local government. Of course I am well aware that there will be legislation to introduce directly elected mayors. I should now like to make what might broadly be called a loyalty pledge to my right hon. Friend the Member for Wokingham (Mr. Redwood). I agree with every single word of his speech today, with the exception of the passage about directly elected mayors.

In my view, the proposal at least to experiment with directly elected mayors is long overdue. First, we have too many councils. When we were in power, we had to face the need to continue the process that has been under way in this country since the 1960s to rationalise the number of councils so as to reflect modern conditions and the sophistication of contemporary services. My colleagues in that Government, the Secretaries of State for Scotland and for Wales, decided that they would go straight to unitary authorities and that they would prescribe them by law. I believe that they were right to do so, and that that is the only way in which we shall achieve the desired results.

In England, for all sorts of political reasons, the decision was to set up a local committee to examine the matter area by area. The proposal was controversial and ran into the ground, but I advise the Government that the relevant legislation is on the statute book that would enable progress towards unitary authorities to take place. Such a structure is necessary for a modern system of local government. It is what obtains in Scotland and Wales, and in all the large metropolitan areas of the country.

Secondly, it is becoming increasingly difficult to find candidates to stand as councillors. That is not a problem particularly for the Conservative party—all parties are finding it difficult to find men and women of the necessary calibre to become councillors. The reason is self-evident: increasingly, competitive pressures mean that it is difficult for people to deliver, on a part-time basis, the intensity of service that the job today requires.

However, all hon. Members know that local government is of massive significance to the fabric of our society. It delivers a range of services that are fundamental to the quiet and decent enjoyment of a civilised society. Therefore the inevitable question arises: how does one create the accountability that will deliver the services with a degree of local discretion while at the same time carrying out national priorities? That is the dilemma that we must resolve.

Running a major city such as Leeds, Newcastle or Birmingham is more than a full-time job. The chief executives appointed to lead the official side of council work are paid, on average and broadly speaking, more than their peer group of local citizens. Certainly, the amount that they receive is in line with the earnings of the more senior people in their peer group. Yet the council leaders, whose job of leading such cities is as sophisticated and testing as any job in government—with the exception of the most senior Cabinet Ministers—are supposed to give their full-time commitment for remuneration that is at the very opposite end of local community norms.

There is something crazy about that situation. The remuneration of council leaders does not reflect the need to attract the men and women—already engaged in full-time careers—who will give a positive lead in identifying, and being accountable for, the dynamism of Britain's great cities. That makes no sense. Priorities are topsy-turvy when officials earn dramatically more than their political masters.

To get the men and women whom we need to run the councils we must recognise the scale of the responsibility involved in what is a major undertaking. Moreover, accountability would be best entrenched if those leaders were directly elected. That would give them a local profile—especially in the major cities—commensurate with the quality of the job and the challenge involved.

As I understand it, the Government consider that we should move to experiments of the sort that might be compatible with what I am saying. My anxiety is that, if it is left to local discussion to work out the compromises that would lead to an agreement to centralise power in one directly elected person, an effective administration will never be established. That is because the potential leader, looking forward to the sort of employment terms that I am outlining, would have to reach all sorts of compromises with the other councillors to get them to agree to shift power from the committee structure to him or her. The type of streamlined and effective organisation that I consider it our task to demand would therefore not be realised. We will get that only if central Government set out a framework that the House can debate and legislate for, which would enable us to find out whether it could be made to work in practice.

The next and absolutely essential change that must take place is for central Government to realise how Whitehall suffocates local government officials. All of us who have been in government understand the consequences of the formula-driven distribution of funds from central Government. Each Department distributes by formula certain sums of money as of entitlement—of right—to local authorities. Whether it is housing, social services, education or whatever, central Government hold the purse strings.

At a local level, it is like a barony—the equivalent officials in each authority are looking up to Whitehall and not across to the leadership of their councils. Those officials are much more interested in the word coming down from Whitehall than in a collective concept of how to run the local authority more effectively. That is because central Whitehall prescribes in the minutest detail how they get the money and what it can be spent on.

The situation is not as bad as it used to be in every case, but the House will imagine my incredulity when I first discovered in the early 1980s that a form requiring 80 answers had to be filled in before one could build a council house. The questions covered the slope of the roof, the colour of the bricks and the composition of the footings, all of which had to be approved by my Department in Whitehall. It is not as bad as that now, but that suffocation was not apparent to Members of Parliament or councillors, who talked about the freedom

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to take decisions when they could take practically no decisions that were not double-checked and rubber-stamped in Whitehall.

That culture still exists. As long as cash is distributed by formula and entitlement, we will never break it.

Mrs. Dunwoody: Will the right hon. Gentleman give way?

Mr. Heseltine: If the hon. Lady will forgive me I will not, as I wish to deploy a logical argument.

The city challenge scheme with which we experimented had the opposite impact on local authorities. Instead of Whitehall saying, "This is what we want. This is what you will do. Then we will give you the money", we said, "This is the money that is on the table. Tell us what you will do." There were few conditions. One was that they had to work in conjunction with the whole community, including the private sector. The second was that they had to get the participation of the whole community. In other words, it was no good the leader of the local council saying, "The head teacher wants this, the chief constable wants that, council tenants want that." We asked, "Where is the head teacher? Where is the chief constable? Where are the tenants?" If they had all come together to work out what could be achieved and had backed it locally, with the private sector adding to public funds, the Government made commensurate judgments about the allocation of funds—the better the plan, the more money one got.

In the first year, there was an outcry from those authorities that lost out. In the second year, those who had lost had found out how the people who had won had done so and had upped their standards. Then one got a degree of local enthusiasm and initiative that was unheard of in local government.

The Government should not only have directly elected chief executives, but should extend that concept, which was specific to perhaps 10,000 to 20,000 people in a major metropolitan area, to the whole authority, encouraging it to produce a corporate plan and ask for Government finance to back it. That would have a dramatic effect, not only in breaking the knot between Whitehall and local authority officials, but in making those officials work as a team and think about the community. Unless everyone was committed to the corporate plan, they would not win. All local authority services would be working towards the advancement and improvement of the authority.

That concept could be made to work. It would have a totally new psychological impact on local authorities and communities. The people involved would become genuine leaders of their communities, fighting for standards in which they believed and which they thought relevant. They would be allowed to initiate, to experiment and, sometimes, to make mistakes.

Today, we have a conformist society imposed largely from the centre, and with conformism goes drabness. I believe that that is uncharacteristic of the extraordinary phenomenon of Victorian England, which developed these great metropolitan areas with local dynamism and leadership. We have to recreate that on a model that is to be found quite frequently across the world. I strongly urge the Government to be brave and to take a chance to recreate the dynamism of local government in this country.

1.45 pm

Mr. Bill Tynan (Hamilton, South): I am grateful for the opportunity to make my maiden speech in this important debate.

The history, tradition and procedures of this House are recognised throughout the world. To participate in my first debate as the elected member for Hamilton, South fills me with pride, a sense of humility and some apprehension. I am sure that right hon. and hon. Members will understand the mixture of emotions surging within me. I congratulate previous speakers; I hope some day to be able to match their expertise.

I am told that it is traditional to pay tribute to one's predecessors. Even if no such tradition existed, I would wish to pay tribute to mine, Lord Robertson of Port Ellen. I had the privilege of knowing him as a friend. He is an individual of boundless energy and a man of real talent who never forgot why he entered politics. His ambition was to serve and leave a legacy of improved living standards for those whom he represented. This, I believe, he achieved. As a Member of Parliament, he had much to be proud of and I am honoured to follow in his footsteps. I know that the House will join me in wishing the Secretary-General of NATO a successful term in office, in the knowledge that he will work to deliver a safer and more peaceful world.

I have lived in Hamilton since I married my wife Betty in 1964. Hamilton is the industrial, commercial and administrative centre of the constituency. It was a main stopping place in coaching days. The museum in Muir street is housed in the Hamilton Arms, a 17th century coaching inn. In its day, many famous people stayed there, including Thomas Telford, Dr. Johnson and his biographer, Boswell, Wordsworth and Coleridge. South Lanarkshire council is renovating the museum and merging it with the Cameronians museum. It is introducing the latest technology to create a virtual reality history of Lanarkshire's own regiment, the Cameronians, also known as the Scottish Rifles.

Hamilton has historic churches and graveyards, and a world famous mausoleum. To the south-east stands Chatelherault, a 1730s hunting lodge of the fifth Duke of Hamilton designed by William Adam. It was recently refurbished for £7 million and restored to its former glory. We also have the remains of Cadzow castle, allegedly built by David I, where Mary, Queen of Scots stayed in 1568. The town centre is being regenerated and will be a showpiece for Lanarkshire when it is completed.

I want to raise another important issue. I am sure that everyone has heard of my local team, Hamilton Academicals. Some commentators have a little difficulty with the name. During the by-election I, too, had some difficulty with the Accies. Their supporters decided to run a candidate against me to draw attention to the fact that the Accies no longer have a football stadium. He was well supported. Not only did he save his deposit, but he recorded 1,075 votes. The morning after the by-election, people said that it was the best result the Accies had had all season. Seriously, the result was important because it showed the depth of feeling on the issue. I have held two meetings with fans' representatives. I hope that the new

Government initiative on community football, backed by the Co-operative Bank, can be used to deliver a new home for the Accies and a community resource for Hamilton.

In electoral terms, Hamilton, South is small. It covers three main areas: Hamilton, Burnbank and Blantyre, the birthplace of David Livingstone. There are also picturesque villages such as Ferniegair and Quarter. Quarter's most famous miners are well known: Keir Hardie and the most famous Scots singer of all, Harry Lauder. They both worked there.

South Lanarkshire council, based in Hamilton, is the largest employer in the area. It has an excellent relationship with the Hamilton chamber of commerce and the Lanarkshire development agency. This co-operation has been successful in attracting new, high-tech companies which, together with traditional industries such as Philips, Atlas Hydraulics and Oticon, offer real job opportunities to the people of the area.

The populations of Hamilton, Burnbank and Blantyre, as well as commuting to Glasgow, are employed in local Lanarkshire companies, such as Rolls-Royce, Hoover, Terex, Honeywells, E J Steils and Robert Lightbodys—I would recommend their cakes to anyone.

Hamilton, South was predominantly mining communities, with a history of miners' representation, such as the late Alex Wilson MP who died in service in 1978. He was a man of the people—a miner himself who fought hard on behalf of the coal industry and the people of his constituency. To follow in the footsteps of men like Alex and George is, indeed, an honour as well as a challenge—one that I willingly accept.

During the recent by-election, many important issues were raised, including drugs and the effect that this evil trade has on individuals, families and communities. The House, along with the devolved Scottish Parliament and the Assembly in Wales, has a duty to defeat this evil which preys on individuals, recognises no barriers or class and eats like a cancer into the fabric of our society. Within my constituency, during the by-election, we had the 100th drug death in Scotland. A young woman, a classmate of my youngest daughter, was found dead because of a drugs overdose. We have a responsibility to the country, which is why the resources available must be used to maximum effect. We must consider establishing a fast-track approach: specialist drug courts that can deal with the suppliers immediately, pass sentence within days and confiscate the proceeds from their ill-gotten gains. We must also assist the victims, who need support, not incarceration. That is why I congratulate the local newspaper, the *Hamilton Advertiser*, which has published a hotline number to enable people anonymously to report suspected drug dealers to the police.

The police in my constituency, working with South Lanarkshire council and various community-based groups, have been innovative and forward looking. The child safety initiative is a demonstration of how effective co-operation can be. Initiatives such as that, if they are to be successful, require the support of the communities.

In Hamilton, South we have an incredible range of active voluntary organisations such as the Blantyre volunteer group, Petal, Arthritis Care, Hamilton Women's Aid, Crossroads care attendance scheme, Cruse Bereavement Care, Hamilton community carers, Lanarkshire elderly forum, Hamilton disability forum, Lanarkshire community care forum, the Samaritans, the Citizens Advice Bureau and, of course, south Lanarkshire's benefits, advice and advocacy services. They work tirelessly on behalf of the communities.

The Government set out their economic objectives within their manifesto before the general election. The pledges made were relevant to my constituency then and remain so today. It was a contract with the people of this country, and at the next general election the people will pass judgment on how well the Government have done and how much they have delivered. I will be happy to fight that election on the Government's record.

The Government's ambition was to achieve high, stable levels of economic growth and employment, to encourage work and to promote enterprise. The reduction of our massive debt burden was essential. The achievement of a reduction of £30 billion has opened up real opportunities for the Government and the country. The Government have laid the foundation of a fairer society where work is rewarded and the elimination of poverty becomes a crusade.

The measures delivered by the Government are making a real difference to the lives of the people whom I represent. In Hamilton, South some 369 people benefited from the introduction of the minimum wage. Throughout the United Kingdom nearly 2 million workers improved their level of pay, two thirds of whom were women. From next April, child benefit will be increased to £15 for the first child and £10 for subsequent children. It will benefit nearly 9,000 families in my constituency. The new minimum income guarantee of £75 a week for a single pensioner and almost £117 for pensioner couples will apply to almost 2,000 of the least well-off pensioners in Hamilton, South.

The introduction of free eye tests from last April affected 8,870 pensioners in my constituency. With the 10p rate of income tax extended to savings from April 1999, with the £100 winter allowance, and with every pensioner over the age of 75 able to receive their television licence free of charge from next autumn, pensioner households will be, on average, £300 a year better off.

The introduction of the working families tax credit in addition to those measures will do much to encourage the culture of work and remove many families from the dependency culture of the state. At the heart of that initiative lies a guarantee that every family in this land that includes a full-time worker will have minimum take-home pay of £200 a week, and that no family on earnings of less than £235 a week—almost £12,000 a year—will pay income tax. At last—a measure that will start to eliminate poverty.

There is much to be done, but we can and must all support the Government's ambition to reduce child poverty by half within the next decade, with a commitment to end all child poverty within the next 20 years. In Hamilton, South, 1,600 families are beneficiaries of that policy, and 3,000 children will notice a real difference in their lives. One thousand, six hundred working families in my community have evidence that work does pay, and that work is the route out of poverty.

The fuel tax escalator was important to my constituency. The Chancellor's pre-Budget statement contained many excellent points, and the attainment of the reduction in CO_2 emission targets that allowed him to relax the application of the tax will be especially

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welcome. Although the *Sunday Post* in Scotland may claim success for its campaign, that was possible only because we were meeting our international commitments.

For many years, unemployment has been a major issue for everyone in this country. In his maiden speech, my predecessor expressed his concerns for the people of Hamilton. Hamilton, Burnbank and Blantyre, once mining areas, no longer have pits. The industrial structure has also declined, but the service sector has grown.

The introduction of the new deal has been a success story. It has assisted the reduction of youth unemployment not only in my constituency, but throughout the country. Employment in the United Kingdom is up by more than 700,000 since the general election. With the new deal, youth unemployment is down by more than 60 per cent. and long-term unemployment is down by more than 50 per cent. The ambition of full employment has been a dream for so many for so long. Twenty-one years ago, my predecessor spoke with passion about the scourge of unemployment and its demoralising effect on society. The most serious aspect of youth unemployment was the emergence of a lost generation of the young without hope, dignity or jobs. We must never be complacent, or gamble with the future of our nation again.

The measures contained in the Gracious Speech are part of the Government's on-going programme to promote fairness and enterprise, to provide people with real opportunities and to liberate their potential. I believe that it will be welcomed in my constituency.

In conclusion, I thank my hon. Friends the Members for Clydesdale (Mr. Hood) and for Stirling (Mrs. McGuire), my wife and family who have given me tremendous support, and the members of my constituency party, who made my participation in the debate possible.

1.58 pm

Mr. Don Foster (Bath): It is a great honour to follow the hon. Member for Hamilton, South (Mr. Tynan). He told the House that he hoped that, in due course, he would learn the skills of presentation in the House. The truth is that he is well ahead of many of us already. He rightly praised his predecessor, whom I am sure the whole House wants to wish the very best in his new job as Secretary-General of the North Atlantic Treaty Organisation. The hon. Gentleman spoke with great knowledge and passion of the concerns of his constituents, whom he will undoubtedly represent with great energy.

The hon. Gentleman must have had a somewhat nail-biting end to his election campaign. As we have been talking about freedom of information legislation, I suppose that it is only right to place on the record the fact that he mentioned the relatively few votes that the Hamilton Accies gained in the election. Sadly, the candidate for my party received even fewer votes on that occasion. Nevertheless, as the Scots were saying after last night's match, we shall be back.

The sad truth is that the hon. Gentleman's speech and some of the earlier speeches have not given me the opportunity to get my breath back following the speech by the right hon. Member for Wokingham (Mr. Redwood). Trying to follow the twists, turns and U-turns of Conservative party policy in this area has given a new meaning to the words "common sense".

However, common sense was spoken by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), who rightly praised just about everybody involved with her Select Committee, including the Clerks and all the helpers. I am sure that the whole House wants to thank her for her tremendous contribution on transport issues in recent times.

I am sorry to see that the right hon. Member for Henley (Mr. Heseltine) is no longer in his place, because he spoke a great deal of common sense, somewhat to my surprise. I found myself in considerable agreement with what he was saying. I hope that he will check this out in *Hansard*, because I would be happy to stand at one end of a banner proclaiming "Free Local Government" if he is willing to stand at the other. That theme chimes well with my party.

We have learned a great deal in the past 24 hours. We have learned something remarkable about the Deputy Prime Minister. Many of us enjoyed his performances on the "Today" programme yesterday and today. This morning's performance was particularly revealing, when he revealed that he has known all along that there was not going to be a transport Bill for three years after the election of the Labour Government. We thought that he was battling away with the Treasury and No. 10 Downing street, but the reality is that he is a man of great generosity who agreed to stand aside and let his colleagues take all the credit for their Bills.

However, the wait has been worth it. It is a bit like waiting for one of the buses that so rarely come. If we wait long enough, eventually three of them will come along. The Deputy Prime Minister has waited long enough and got his three Bills. Broadly speaking, we welcome his success in securing those Bills and much of their content. I shall comment on those three Bills in turn, but it is a pity that there is one Bill missing. I should very much have liked to see a warm homes Bill in the Queen's Speech. As we all know, 8 million people in this country suffer from fuel poverty. Far too many deaths—between 30,000 and 60,000 a year—are linked to hypothermia. We desperately need to take action to improve the quality of those homes.

The Deputy Prime Minister might well point out that the Government have taken action. We welcome the reduction in VAT on fuel and the £100 addition for pensioners. However, he will know that even the Secretary of State for Trade and Industry pointed out recently in a letter to Friends of the Earth in his constituency that there is little point in throwing money at the problem if the vast majority of it is simply burned to heat the air above houses. We need to have properly insulated, warm homes if people are to be able to benefit from the reduction in VAT and the £100 fuel allowance.

Mr. John Heppell (Nottingham, East): Under the home energy efficiency scheme, the Government have put an extra £260 million into ensuring that pensioners' homes in particular are adequately insulated.

Mr. Foster: I was trying to point out that the Government have taken some action, but I am sure that the hon. Gentleman will have looked at the report of the Environmental Audit Committee in the previous Session, which referred to the issue as "a continuing national scandal" and said that it

"should be addressed with the sort of urgency and determination usually reserved for more sudden crises here and abroad."

The Government have already taken some action, but more work is needed. I hope that the Deputy Prime Minister will be prepared to consider that.

As I deal with aspects of the Queen's Speech that fall within the remit of the Secretary of State for the Environment, Transport and the Regions, I hope that he will intervene. He and I agree on the need to reduce congestion on our roads. To achieve that we have to reduce the number of car journeys and increase the use of public transport. The question is: how far are we prepared to go? The Liberal Democrats' view is that we must not only reduce the rate of traffic growth, but achieve an absolute reduction in traffic on our roads. On 6 June 1997, the Deputy Prime Minister stated:

"I will have failed if in five years' time there are not many more people using public transport and far fewer journeys by car. It's a tall order, but I urge you to hold me to it."

The right hon. Gentleman's clear intention was to reduce the absolute number of journeys taken by car. I shall be grateful if he intervenes to confirm that he intends to hold to that promise.

Mr. Prescott: I am happy to respond and to tell the hon. Gentleman that the process is already under way. In the past two years, more people have started to use public transport, which is the first stage of achieving our goal. In many areas, such as Manchester and Brighton, where public transport has been improved, people now use their cars less and public transport more. I readily set the target for myself and I am glad that we are on the way to achieving it.

Mr. Foster: From that, I take it that the right hon. Gentleman intends to stick to his absolute commitment to acknowledge failure if the level of car use does not decrease in real terms during the five years to which he referred.

We are delighted that there is to be a draft Bill on leasehold reform. As the right hon. Gentleman acknowledges, such legislation is long overdue. We are also delighted that there is to be a water efficiency Bill, even though the Minister for the Environment appears to have been as surprised as anyone by its inclusion in the Queen's Speech. We also welcome the three major Bills to be promoted by the Department of the Environment, Transport and the Regions.

Liberal Democrats acknowledge that opening access to the countryside is important. However, the Deputy Prime Minister has acknowledged that that cannot be an unfettered right. For us, the devil will be in the detail: when the Bill is published, we shall want to know about the constraints that are to be imposed, and about safeguards, provisions for local consent and opportunities for local variations. I hope that the Government have also considered the very different circumstances in Wales and that there will be a separate section in the Bill dealing with the right to roam in Wales.

We welcome the greater protection for wildlife, which is an issue on which my hon. Friend the Member for Carshalton and Wallington (Mr. Brake) and hon. Members from both sides of the House have worked tirelessly. I hope that the Bill will provide protection for wildlife outside sites of special scientific interest; that it will include provisions for the financial support of important wildlife sites; and that it will provide SSSIs with protection against any exploitation of minerals, especially peat—currently, about 4,000 SSSIs are subject to peat extraction.

As I said, I entirely agree with the views on local government expressed by the right hon. Member for Henley. We have to free local government from the chains imposed on it by Governments of both complexions and Whitehall. I am absolutely delighted that the local government Bill is to repeal section 28. That was an illiberal measure, which should never have reached the statute book. We are delighted that it will be removed at long last.

We are worried that there is an overall lack of flexibility in the proposals to modernise local government. If we are to free local government, we should allow it, with the agreement of local communities, greater opportunity to decide how best to conduct its business. That decision should not be made centrally. There is too much concentration on structures rather than on outcomes, about which we should all be concerned. I am worried that the centralising tendency will be perpetuated in the Bill. Three items are missing from the measure.

If we truly want people to be interested in local government, we will not achieve that simply by tinkering with its method of decision making. We should consider the sort of decisions that local government is allowed to make. Local people will be interested in local government only if it is allowed to tackle the community's genuine problems. Local councils should be given a power of general competence to enable them to deal with all matters apart from those that they are specifically prohibited from tackling.

There should be a fairer funding system, and the introduction of local income tax. There should also be a fairer voting system—to avoid doubt, I mean proportional representation. *[Interruption.]* I am delighted with the Deputy Prime Minister's response from a sedentary position. I have already got two out of three concessions from him. Perhaps a little more discussion will lead to the third.

Mr. Prescott: No discussions.

Mr. Foster: Let us consider transport, on which there may be an opportunity for discussion, despite the Deputy Prime Minister's comment. If he wants support for some of the transport measures, he must look to these Benches; he will not get it from Conservative Members.

Mr. Prescott: We are introducing the measure because it is right.

Mr. Foster: Indeed. We shall support the measure when it is right. We shall not support the official Opposition's position. It is interesting to note that Conservative Members use their policies as dirty words. When the Leader of the official Opposition attacks the Government's proposal for congestion charges, he refers to it as a poll tax on wheels.

It would be easier to support the Deputy Prime Minister's transport measures if people were confident that the Government were doing everything possible and not simply requiring action from the private sector and local government. As I have said to the right hon. Gentleman in our brief exchanges since I took on responsibility for

[Mr. Foster]

transport, it is worrying that the Government's share of spending on public transport has decreased. There are other sources of funding, but the Government's share has gone down. It will decrease by 7.5 per cent. over five years according to Red Book figures.

Mr. Prescott: Watch this space.

Mr. Foster: The Deputy Prime Minister says, "Watch this space"—perhaps I have got three out of four concessions. I shall keep going and make further suggestions.

As the Deputy Prime Minister is in a generous mood, he might consider another idea that would help him. The public are worried about some of the proposed further charges, and it might be worth considering whether to get rid of vehicle excise licence duty or at least to reduce it significantly for those with small cars. That might encourage people to use cars that are less polluting; it could prove to be a popular measure.

On the Strategic Rail Authority, I cannot improve on the comments of the hon. Member for Crewe and Nantwich. We support the authority. However, as we said in Committee, a strategic transport authority would be preferable as it could cover all forms of public transport. We hope that the Strategic Rail Authority will consider, for example, simplifying ticketing practice and a proper national timetable. Those are important matters, which the hon. Member for Crewe and Nantwich mentioned. She rightly appreciated the importance of the Deputy Prime Minister moving from being minded to take safety from Railtrack to implementing it. We acknowledge that it is difficult to decide who should have responsibility for safety, but we hope that the Deputy Prime Minister will reassign it.

Let us consider bus deregulation. We support the Government's proposals to remedy the problems that the previous Government created through deregulation. The Deputy Prime should consider open-top, tourist buses, which have not yet been taken into account. There is genuine anxiety in tourist areas such as my constituency of Bath, York and many other places, where tourist buses cause problems. If open-top buses stick to a timetable, their operators can get the reduction in fuel tax. On a wet day, the bus can drive around empty, or with one or two passengers, stick to its timetable and be eligible for the fuel tax reduction. The bus thus adds to congestion. I hope that such problems can be solved.

The sad truth is, that when the Conservatives were in power, I wrote to the Transport Minister of the day and received a reply that said, "We'll look at it some time later." A new Government gained power, I wrote to them and received a letter that was exactly the same, word for word.

Mr. Prescott: When?

Mr. Foster: I have a copy of the letter, which I shall pass to the Deputy Prime Minister. We play a game in my office in which we blank out the names at the top of the letters and ask people to guess which was written under a Conservative Administration and which was written under a Labour Government.

I shall comment on the rural bus challenge. I hope that the House realises that public transport will not, by itself, solve all the transport problems of rural areas. We must acknowledge that the majority of people in rural areas need to use their cars and will continue to do so. We must ensure that policies support those people and do not make matters more difficult for them.

It is right to provide for improving rural bus systems. We welcome the small additional sums that the Government provide, but it is ludicrous to hand out a small amount of money and expect people to prepare expensive bids to get it when only 22 per cent. of bids have been successful. Preparing those bids wastes much energy in local government. There must be a better way of allocating money.

The proposal to part-privatise National Air Traffic Services will cause the greatest disagreement between the Government and the Liberal Democrats. There are clearly differences between the official Opposition and the Government: the Government want to part-privatise NATS while the official Opposition want to privatise it completely. We support neither option. However, we all want increased investment in NATS. As the hon. Member for Crewe and Nantwich, who chairs the Transport Sub-Committee, said, there is a sensible proposal for achieving that: the establishment of a not-for-profit, public interest company. That is the most efficient way of raising the money and would remove all existing anxieties. The Deputy Prime Minister knows that pilots, operators, the unions and more than 100 Labour Back Benchers oppose the part-privatisation, which is highly unpopular. We shall support several measures that are under the right hon. Gentleman's aegis in the Queen's Speech, but we implacably oppose the proposal to sell NATS.

2.19 pm

Dr. Gavin Strang (Edinburgh, East and Musselburgh): I am pleased to follow the hon. Member for Bath (Mr. Foster), the Liberal Democrat spokesperson, and, like him, I welcome much of the Queen's Speech. A lot of the measures will implement manifesto pledges given by the Labour party at the last election. On transport, like the Liberal Democrats, I broadly welcome the fact that we shall go ahead with a proper statutory Strategic Rail Authority. We inherited a privatised, fragmented railway system and I believe that the SRA will make a significant contribution to improving the quality of service in our railway industry. The hon. Gentleman said that he would like a strategic transport authority to be established.

My right hon. Friend the Deputy Prime Minister has set up a committee to advise him on integrated transport. His Department, along with all the local authorities, is the driving force for the integrated transport policy. There is a fairly broad consensus between the Labour and Liberal parties that local authorities should be given the option to introduce congestion charging.

I shall take a leaf out of the book of the right hon. Member for Henley (Mr. Heseltine), the former Deputy Prime Minister, and concentrate most of my remarks on the area in which I and many of my hon. Friends in the parliamentary Labour party disagree with the Government—the proposal, which is how we should consider it at present, that legislation should deal with aviation. We should be under no illusions about the

importance to this country of aviation, which is a huge business. It is growing faster than the national economy, the number of jobs linked directly and indirectly to it is increasing and it is vital to the overall efficiency of the United Kingdom economy. Britain is a European leader in the aviation industry.

The Labour party leadership likes to say, "We will lead in Europe". Our aviation industry already leads in Europe. An integral part of that aviation industry is our air traffic control system, in which this country is a world leader. We must fully grasp and understand that before we significantly change the present air traffic control arrangements.

It is proposed that safety regulation be separated from service provision. There will be little opposition to that. I think that the issue is open—the proposition is supported by Eurocontrol and the Transport Sub-Committee of the Environment, Transport and Regional Affairs Committee—and I understand that economic and safety regulation will stay with the Civil Aviation Authority, although various proposals concerning a transport safety super-body have been floated. My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), the Chairman of the Transport Sub-Committee, may have been hinting at that in relation to transport safety across the modes. However, I shall leave that on one side: the issue is whether it is necessary to split the CAA and have a more direct split between service provision and regulation.

One has to bear it in mind that air traffic controllers are regulators, and what they do is what counts. They keep the planes apart. I have had the privilege to represent my constituency in the House of Commons for more than a quarter of a century. Most weeks of the year, I fly in and out of Heathrow airport and no doubt many other hon. Members, as members of the public, have accepted the chance to go into the cockpit with the pilot. This country has an excellent air traffic control system. If the legislation is to propose separating regulation from service provision more formally, there will be no opposition to that, but the real issue concerns privatisation or part-privatisation. I have no doubt that many Labour Members are still trying to persuade Ministers not to privatise Britain's air traffic control.

Why are the Government proposing privatisation? First, they would receive a capital receipt. To be fair to my right hon. Friend the Deputy Prime Minister, he set that out fully at the Labour party conference. Some people have said that National Air Traffic Services is worth £1 billion, so half would be worth £500 million, and I suspect that it will be worth rather more when Swanwick is operational. Nevertheless, a sum of money would be available, but one does not want to exaggerate it. The tax on air passengers introduced by the previous Government brings in about £700 million and the figure will soon be up to £1 billion a year—not a one-off £500 million, which would be raised from the half-privatisation of NATS, but a significant annual sum coming in from the aviation industry. Taking money out of aviation and air traffic control in order to put it into something else—a one-off capital receipt—is not an idea that should be taken on board.

The second argument, which is also financial, is that we need to privatise NATS in order to get investment. This country has a good record of investment in air traffic control—certainly a better record than the other members of Eurocontrol. I say quite openly that it is a tribute to past Conservative Governments that this country has invested heavily in NATS—we have just taken over and have inherited the investment programme—and the problems at Swanwick, which is the big new centre near Southampton, relate not to lack of investment but to technical challenges. That is why it would be a mistake, at this time of all times, to divert the attention of top management to privatisation. Private business is involved in developing the new equipment and the new system there.

I submit that our country's record on investment in air traffic control is fairly good, but we can improve it. I believe that, when the sort of money that the Chancellor was talking about last week is available, a Labour Government could justify maintaining and improving on the past investment record in respect of NATS. Some strange figures have been bandied about in the press today, but we are not talking about £1 billion a year, as someone wrote. Investing £1 billion over 10 years would be better than what has been done in the past, but the critical point is that if the Government are determined to put private money into NATS, they can do so by allowing it to borrow directly in the markets, which is what we have done in relation to Manchester municipal airport. That means that we are borrowing for investment, which is what my right hon. Friend the Chancellor believes in, and that such borrowing does not qualify as public sector borrowing under the Maastricht treaty.

I do not accept that the Treasury definition of public sector borrowing should be the decisive issue for air traffic control in this country. The decisive issues are safety and security. I shall discuss safety.

Mr. Prescott: Obviously that debate will take place, and I cannot go through all the points that my right hon. Friend has mentioned, but he is quite wrong about Manchester. I introduced the innovative financing for the Manchester airports. They borrow against the assets in a domestic market, as geared to Treasury rules. I persuaded my right hon. Friend the Chancellor to change the Treasury rules. NATS operates under international agreements under which borrowing, financing and charges are agreed internationally. There is not the same freedom. Borrowing in respect of Manchester airport will not count against public sector borrowing; it will simply become private money, not public money. He is not comparing like with like.

Dr. Strang: I am grateful to my right hon. Friend for that intervention. He will be aware that his officials have negotiated at Eurocontrol a change in the arrangements in order to facilitate privatisation. *[Interruption.]* In relation to that point, if the argument is about how we define the PSBR, I defer to the hon. Member for Bath. I am not defending the Chancellor's definition of the PSBR, but under the Maastricht treaty, what I am describing does not come within the PSBR.

Mr. Don Foster: Has the right hon. Gentleman noticed another part of the Queen's Speech dealing with the Government's accounting Bill? The Gracious Speech specifically states that the Bill will

"generate more investment in public infrastructure and front line services."

[Mr. Don Foster]

The Bill to introduce resource accounting will change the definition of the PSBR and make it much easier to use public money directly to invest in organisations such as NATS and to avoid the problem that we are both trying to resolve.

Dr. Strang: The British public will not believe that the privatisation of National Air Traffic Services is proposed in order to enhance safety. The airline pilots are against it. Hon. Members will have read the letter in *The Times* this week from the three trade unions most directly involved—the British Air Line Pilots Association, representing the pilots; the Institution of Professionals, Managers and Specialists, representing the controllers; and the Public and Commercial Services Union, representing support staff. The other names on the letter were those of the chairman of the south-west London campaigning group on clear skies, and Mr. Gifford, executive director of the Parliamentary Advisory Council for Transport Safety.

Since the announcement of the complex privatisation scheme on the day that the House rose before the summer recess, the Government have still not persuaded the airline pilots—who are the key people—or the controllers. Let us not forget also that there is tremendous opposition from the general aviation community. That is not the big airlines, but the business people who fly smaller planes. It is particularly important that they should be encouraged to clock on with NATS in our controlled air space.

In conclusion, I shall concentrate on the security issues. There are two aspects—first, the threat of global terrorism. We live in the global village and must recognise that such a threat exists. I do not want to be melodramatic, but if intelligence information is received about a bomb on an incoming plane, we need to be able to seize control of the country's air traffic control system. If that is a privatised monopoly operating under price controls, there is much less incentive for it to co-operate with the Government than if it were in the public sector.

The second security issue, which transcends all other issues, as many hon. Members will appreciate, is our national security in relation to hostile military aircraft. We hope that we are moving into a century when hostile military aircraft will not try to enter our controlled airspace, but the lesson of the century that we are just leaving is that we should not bank on that. Periods of tension may still occur, and I hope that no one will defend the proposed privatisation with the argument that the air traffic control system could be taken back into Government ownership in wartime during a period of serious international tension, or during the build-up of hostilities, or even when war broke out.

For reasons of national security, other countries, including the United States, have not privatised their air traffic control systems.

Mr. Jenkin: I am listening carefully to the right hon. Gentleman. He said earlier that the Bill would separate the operation of air traffic control from safety considerations, and that that met with the approval of Eurocontrol. Do his concerns about security following privatisation also apply to the plans to allow Eurocontrol to take control of air traffic operations in the United Kingdom? Will not the laws made by Eurocontrol have direct effect in our own law, so that European airspace will be controlled internationally, rather than our airspace being controlled by our own Government and our own laws? Will the right hon. Gentleman comment?

Dr. Strang: I am not saying that at all. There is no question but that greater co-operation is needed at European level. I am referring to military issues, not the way in which we organise the arrangements and the provision of air traffic management services in the European Union and beyond.

One of our most important achievements when we held the presidency of the EU Transport Council was to secure agreement for the establishment of a European aviation safety authority, about which the Select Committee might have been a little more positive in its report. That goes beyond the European Union and beyond air traffic management and control. It covers some of the east European countries, where it is extremely important to raise standards of aviation safety.

As the hon. Member for North Essex (Mr. Jenkin) mentioned European issues, I should point out that no country in the European Union has a privatised air traffic control system or is proposing to privatise its existing system. I do not understand a Minister saying that we propose to privatise our air traffic control system in order to facilitate greater co-operation in Europe in relation to Eurocontrol.

Miss Anne McIntosh (Vale of York): I am grateful to the right hon. Gentleman for allowing me to intervene. Does he agree that Britain has been a flagship in respect of aviation? Other member states were slow to privatise their flag carriers. The previous Conservative Government privatised British Airways very successfully. Other member states have also been slow to privatise their airports. Again, we acted as a flagship in that regard. British Airports Authority has set high standards, which are admired throughout the European Union. Does the right hon. Gentleman agree that as other European states have been slow to privatise other aspects of air transport, they will probably look to us to give a lead in the privatisation of air traffic services?

Dr. Strang: I thoroughly reject that argument which should apply to the United States. I defer to the hon. Lady's experience in relation to Europe and the European Parliament, but I do not believe that we would be giving a lead by privatising air traffic control, and that that would result in some big multinational company taking over air traffic control in European airspace. That is not realistic. Can we expect the French to allow some foreign-based company to take over control of their airspace?

One of our great strengths is the way in which we integrate our military airspace with our civil airspace. That is facilitated by their being in the public sector. At West Drayton and at Prestwick, one can see how the military controllers operate with the civil controllers. I am glad that the hon. Lady made her point.

In an interesting speech, Sir Malcolm Field, the chairman of the Civil Aviation Authority, dealt with the argument that the privatisation of air traffic control was somehow like privatising an airline. The difference is fundamental. When an airline is privatised, it can make

more private profit, as a privatised company naturally wants to do. It can do so by building its business, expanding its share of the market, providing more frequent services, improving the meals that it serves and so on. There are many means by which a privatised airline can increase its private profits.

That does not apply in the same way to air traffic control. All that the controllers do is keep planes apart. They ensure that they enter and leave our airspace and airports without any incidents. This country has a tremendous record in that regard. Therefore, I appeal to the Government not to rush into this complex privatisation scheme, particularly when NATS is moving into an important phase. It is scheduled to bring Swanwick into operation in 2002 and it must also bring the new Scottish centre into operation.

I welcome Ministers' reaffirmation that they are committed to the two-centre strategy, but it is vital that we do not go ahead with the privatisation of air traffic control. If we do not, Labour Members will be able to unite behind a transport Bill in which we believe.

2.40 pm

Mr. Christopher Gill (Ludlow): I congratulate the hon. Member for Hamilton, South (Mr. Tynan) on his maiden speech. I hope that he will find his membership of the House satisfying and fulfilling, as indeed I am sure he will.

I shall confine my remarks to three aspects of the Queen's Speech, particularly in so far as they impact upon my constituents. I shall talk about education, health and the countryside.

The Queen's Speech stated:

"Education remains my Government's number one priority."

On health, it stated:

"My Government's ten year programme of modernisation for health and social care will provide faster, more convenient services to help improve the country's health."

That is the Government's rhetoric, but the reality, as perceived from Shropshire, is somewhat different.

The front-page headline on last Thursday's edition of the *Shropshire Star* was "Teaching on a shoestring". On Friday, its headline referred to health authority funding in Shropshire and stated, "Missing Out on Millions". I should point out that I have no influence over what the *Shropshire Star* prints, but, on Saturday, the headline was "Health chiefs warn of extra cash need".

On every important front, Shropshire is being shortchanged. For example, on education, the London borough of Southwark receives a 50 per cent. higher standard spending assessment for every pupil than Shropshire. So that there is no confusion, I shall provide the figures. For every primary school pupil, Shropshire receives £2,220 while Southwark receives more than 50 per cent. more—the SSA for a primary school child there is £3,396. A child at a secondary school in Shropshire has an SSA of £2,837, while in Southwark the figure is more than 50 per cent. higher at £4,377.

As if those figures were not bad enough, per capita health spending in Shropshire is £552 against per capita expenditure in Birmingham of £714, and £613 and £596 respectively in the neighbouring counties of Staffordshire and Herefordshire. That is from a Government who boast about making health and education their priority. Try telling that to the people whom I represent in Shropshire.

What will the Secretary of State for Education and Employment do about his reported comments in the *Shropshire Star*? When he visited Shropshire last week, the headline was "Education is the key says visitor Blunkett". Following his visit, the newspaper reported that "he accepted that the system of dishing out cash to education chiefs was unfair and Shropshire was missing out."

The newspaper then quotes him as saying:

"I appreciate the way people in Shropshire feel about it . . . The difference is staggering."

The difference is staggering, so I repeat my question: what will the Secretary of State do about the wholly unsatisfactory situation that affects the education of young people in my constituency?

When will the Secretary of State for Health start to fund Shropshire up to the level of other health authorities, instead of closing the excellent new facilities at Kidderminster hospital, which the previous Conservative Government provided at a cost of £25 million and on which thousands of my constituents depend? I draw attention to the fact that the Queen's Speech says that the Government are committed to providing

"more convenient services to help improve the country's health."

The Prime Minister went on record saying that the Government would spend money on improving every accident and emergency unit in the country.

Those statements do not apply to the Kidderminster hospital, where the accident and emergency facility is being phased out and will be closed down. Far from my constituents having greater convenience in the health provision that is made for them, they will have to journey a further 17 miles to a new hospital that is being built in Worcester. In short, I ask Ministers when this duplicitous Government will put real money where their mouth is. When will they make a reality of their much-vaunted rhetoric?

The plight of agriculture is another issue of vital concern to my constituents. After two and a half years in government and in spite of all the correspondence that we have had with Ministers, all the meetings between Back Benchers and Ministers and between trade associations and Ministers, and all the debates on agriculture that the Opposition have initiated in this Chamber, the Government have done absolutely nothing beyond what they were obliged to do under the agrimonetary arrangements, other than postpone the implementation of cost burdens that they themselves imposed.

This is a Government who have learned nothing and forgotten nothing. This is a Government who say that they recognise the problems of over-regulation and yet introduce a Queen's Speech with a record-breaking 28 new Bills. This is a Government who shed crocodile tears for the beef industry, but perpetuate the ludicrous beef on the bone ban. This is a Government who shed crocodile tears for the sheep industry, but will not lift the totally unnecessary spinal column removal regulation. This is a Government who shed crocodile tears for the pig and poultry industries, knowing that the charges that they intend to levy under the integrated pollution prevention and control regulations will put the final nail in the coffin for a whole raft of British pig and poultry farmers.

Mr. David Prior (North Norfolk): I am sure that my hon. Friend will have been contacted by many farmers in

[Mr. David Prior]

Shropshire, as I have been in Norfolk. They are concerned about the implementation of the IPPC regulations. For many pig and poultry farmers, it could be the straw that breaks the camel's back.

Mr. Gill: My hon. Friend is absolutely right. They have that real fear—*[Interruption.]* I shall now provide the facts because, although my hon. Friend knows them, Labour Members obviously do not.

Under the IPPC regulations, an initial application charge of £6,098, which is multiplied by the number of components—the areas of pollution—and an annual subsistence charge of £2,768, which is again multiplied by the number of components, will be levied on pig producers. In addition to those charges, there will be monitoring, transfer and surrender charges, which means that for a typical 2,000-sow unit the annual costs could exceed £18,000.

That may not seem a lot of money to Treasury Ministers, but I assure the House that, to any pig producer in this country today, £18,000 is an extremely large sum because almost all pig producers are trading at unsustainable losses. For the Government now to impose increased cost burdens on the industry is totally unreasonable, and, as my hon. Friend the Member for North Norfolk (Mr. Prior) said, it will be the last straw for many pig and poultry producers.

While I am on cost burdens, it is worth noting that under this Government road fuel duties and meat inspection charges have escalated. We may have seen off the pesticides tax, but I should like that to be confirmed. I have already mentioned the IPPC charges; there are validation charges for any butcher who wants to put beef in his window and describe it as "British".

Mr. Letwin: Does my hon. Friend agree that it is extremely dangerous for us to be complacent about the pesticides tax? The Chancellor has not said much about that tax, but is it not true that he has introduced 32 taxes without saying very much about them?

Mr. Gill: Indeed, that is true. My hon. Friend is right to point that out. The only solace I can give him on that point is that, as I travel around my constituency and around the country, I find that more and more people are talking about stealth taxes. They know what is going on and they increasingly realise that this Government are quite different from previous Labour Governments, who espoused in-your-face socialism. We saw that coming. They were for nationalisation, clause IV and high taxation. Labour Members may laugh, but perhaps their memories are shorter than mine. Do they not recall that under the previous Labour Government, it was possible for taxpayers to pay tax of 98p in the pound? That Government's only reason for not increasing taxes above that level should be obvious to Labour Members, as it is to the general public.

To return to the extreme threats to agriculture, particularly to the pig and poultry industries, I wonder whether colleagues are aware that, this week, poultry producers received a letter from a company called Amtrak, on which they have relied very heavily for the transport of day-old chicks around the country. Amtrak now says that it will discontinue that service. That was not entirely unpredictable, because many of us recognised that it would be a consequence of the directive on the transport of live animals, which has been in the pipeline. The results of that directive are now beginning to manifest themselves.

The Government are characterised by a Minister of Agriculture, Fisheries and Food who will not make the decisions that he could make and says that he cannot make the decisions that he ought to make. Perhaps not all Labour Members heard the news bulletin this morning that stated that Germany would not consider lifting the ban on British beef unless and until there was country of origin labelling. That is significant, because the Government have set their face against country of origin labelling.

I should like an undertaking that, before he proceeds to legislate, and having carried out the review that he promised in an earlier debate about the labelling of food, the Minister will come to the House so that we can debate how we might proceed on that issue. Back Benchers on both sides of the House would then have an opportunity to tell him what the great British public want in the way of labelling.

My guess is that the public want the same as Germany: a statement of the country of origin. Many housewives would like to discriminate in favour of a purer, home-grown product against an adulterated, imported product, but cannot make that informed choice because the Government will not tell producers to state the country of origin on the product.

The Queen's Speech contains nothing for the British farmer, and I am extremely disappointed that there is no acknowledgement of the many and varied practical suggestions that have been made to Ministers by agriculture and allied industries in the past two and a half years. Many of us have spent a lot of time making constructive suggestions to help to solve our industry's problems. Not one of those suggestions has been followed.

There has been no attempt to revise the legislation affecting the splitting of sheep carcases or to authorise dedicated pig offal rendering. There has been no reply, even, to the offer by the Meat Training Council, of which I have the honour to be the honorary president, to provide courses that would cross-train meat inspectors to carry out the duties in abattoirs that are currently undertaken by expensive vets. There has been no undertaking to lift the beef on the bone ban, or to postpone the implementation of the IPPC charges, the consequences of which I have already mentioned.

This is a do-nothing Government, a Government of spin and no substance, and a Government who can no longer pretend to be the party of the countryside. The Queen's Speech contains nothing for my constituents in Shropshire, and nothing to help agriculture, which is vital to my county's economy and the maintenance of the rural landscape, which is one of the country's priceless assets.

What the Queen's Speech contains that is relevant to the countryside is a Bill to give

"greater access to the countryside and to improve protection for wildlife."

Desirable as those aims may be—I have to point out to Labour Members that they will prove to be contentious and will take up much of the House's time during the next

Session—while we are discussing them, the British farmer is going out of business. The proposed legislation entirely misses the point because the endangered species in the countryside is not the wildlife, but those people who have made the countryside what it is today and towards whom the Government display an indifference that many of my constituents find hard to understand. I shall vote accordingly.

2.59 pm

Jane Griffiths (Reading, East): I shall not take up too much of the House's time, but I want to welcome the proposed legislation on transport. Those of us with constituencies in the south and south-east of England are particularly aware of the problems that congestion causes, although I know that such awareness is widespread.

The right hon. Member for Wokingham (Mr. Redwood), who is no longer in his place, is my constituency neighbour, and his constituents drive into my constituency to work, do their shopping, go to college and so on. The right hon. Member for Henley (Mr. Heseltine) is also my constituency neighbour, to the north, and his constituents drive south into my constituency, causing congestion.

It is vital to tackle congestion. We have waited more than a generation for a Government with a serious attitude to tackling congestion. That is not anti-motorist. There is no such species as the motorist, only people who make journeys. At some point everyone is a pedestrian, if only while walking from the front door to the garage to get into the car. At some point everyone is a child and too young to drive, and at some point everyone becomes old, perhaps infirm or disabled, and unable to drive. Even those who drive throughout their lives from the age of 17 spend more of their life outside their car than in it.

I want to refer briefly to the true cost of congestion and pollution resulting from the unfettered use of private cars. There is the social exclusion that can be seen in affluent households where a generation of children make all their journeys in cars, from small babies strapped in child seats to teenagers driven about by their parents, and children who never play outside, fall down and graze their knees or feel the rain on their face. At some point, they will be adolescents who need to get out and look for excitement in the way that teenagers do. Such teenagers may never have travelled on their own using public transport, and they will be at risk in a way that previous generations were not. We hear plenty about children being unfit and overweight, and that is the result of the unfettered use of the private car.

The previous Government had vindictive, anti-public transport policies, which virtually destroyed public transport in much of the country, especially in rural areas. This Government want to give real choice back to the people. In too many places in Britain, elderly people, perhaps with disabilities, have no choice without access to a car. We must give choice back to the people, and that means that we must sweep away the vindictive anti-public transport policies, giving our roads back to all people, not just to the drivers.

3.2 pm

Miss Anne McIntosh (Vale of York): I am delighted to speak in this Queen's Speech debate on the environment, transport and the countryside. I declare an interest in that, being married to an airline executive and a past Member of the European Parliament, I can say with some confidence that my husband and I are both well travelled. I am also a member of the Royal Automobile Club's public policy committee, but I am not speaking on its behalf this afternoon.

If I were to relate my constituency of the Vale of York to the Government's programme in the Queen's Speech, we would come out of it extremely badly. The Vale of York is deeply rural. To Americans who wonder which part of the country I represent, I always say that it is James Herriot countryside. I represent parts of the outskirts of York—New Earswick, Poppleton, Rawcliffe, Clifton Without, Clifton Moor, Haxby, Wigginton, Skelton, Shipton by Bellingborough—and the market towns of Bedale, Boroughbridge, Easingwold and Thirsk, but the geographical centre is Helperby. A deeply rural farming constituency, it has been deeply damaged by a combination of the fuel escalator and the vehicle excise duty. They have damaged all those working in farming, all who consume farm produce and all who rely on supplies from market town stalls or village shops which, with the resulting extra delivery costs, have been clobbered by a double whammy.

My farmers took great comfort from the Labour Government's promise that the ban on beef on the bone would be lifted, as would the ban on our beef exports to Europe. The two go hand in glove and until the ban on beef on the bone is lifted, countries such as France and Germany, the United States, South Africa, or any other Commonwealth country will not be minded to take our beef. We need to convince the scientific officers of Scotland and Wales to have the same confidence in the safety of British beef as our English scientific officer has.

About 30 per cent. of pig production takes place in the county of Yorkshire, and probably 30 per cent. of that is within the Vale of York. I have never before experienced the depth of crisis that exists in the pig farming industry today. It has been particularly clobbered by the uncompetitive conditions which—I accept—the previous Government imposed on it, with the highest animal welfare conditions in the western world, and a ban on sow tethers and stalls imposed seven years before it was imposed on the rest of the EU. The industry is also being damaged by the high pound and cheap imports, which are undercutting it.

Mr. Gray: My hon. Friend has one third of the nation's pig production in Yorkshire and I probably have one third of the rest of it in Wiltshire; like hers, my farmers are suffering terribly. Is she aware that it costs about £7 more to produce each pig than is achieved at the abattoir, that the industry is currently losing £2 million a week, and that at that rate, by Christmas, the pig industry will be on its knees?

Miss McIntosh: I am grateful to my hon. Friend for bringing that figure to the Government's attention. Given the little comfort in the Queen's speech for the farming community, I hope that when the Minister replies he will take this opportunity to give some shred of comfort to farmers in the Vale of York.

Mr. Letwin: Does my hon. Friend agree that if the Minister of Agriculture, Fisheries and Food has been listening to the debates of the past few weeks in the old Session, he will be aware that the offal disposal costs,

[Mr. Letwin]

which were unfairly imposed on the pig industry as a result of effects in another industry, come to, roughly speaking, the same figure of £7—a pound or two less—to which my hon. Friend the Member for North Wiltshire (Mr. Gray) just referred? Is she further aware that the Minister last promised seriously to consider meeting those costs two and a half weeks ago, since when an enormous amount of pig production has already gone out of existence? Will she join me in hoping that he will do something about that tonight?

Miss McIntosh: I am grateful to my hon. Friend for making that valid contribution to the debate. I endorse what he says by going a stage further. It was brought to my attention by the National Farmers Union whose president, Ben Gill, is a constituent of mine, that the cost of meat inspection in the United States is met by the federal Government, to the tune of $800 million each year. That makes our farmers less competitive with those of north America. I hope that the Government will go the further mile and reimburse our farmers for those costs.

Mr. David Heath (Somerton and Frome): Does the hon. Lady recognise that competition with the United States is all one way, in that the Americas and almost all the Commonwealth countries refuse to accept British beef imports? Does she agree that it is time we tackled the Commonwealth beef ban as well as the European beef ban?

Miss McIntosh: I am grateful to the hon. Gentleman for drawing attention to a point that I have just made. I am sorry if I did not make it sufficiently clearly. I did say that not just France and Germany, but the United States, South Africa and a host of Commonwealth countries have failed to lift the ban. I linked that with my plea to the Government to lift the ban on beef on the bone.

Not only is there the effect of the high pound, cheap imports and higher animal welfare conditions in Britain, which acutely affect British pig farmers, there is also the matter of Milk Marque. I have a number of dairy farmers in the Vale of York and they are particularly aggrieved that, at a time when Milk Marque has made a major investment in the Vale of York with its new plant at Dalton industrial estate, they are facing a break-up and a three-way split.

The question that I want to leave with the Government this afternoon concerns the completely different way in which milk and sugar are treated. British Sugar and Tate & Lyle effectively have a duopoly on sugar production and processing in Britain, one looking after home produce and the other looking after imported produce. I cannot understand why Milk Marque is not able to compete in a similar way within the milk market.

I declare an interest in Denmark—I am half-Danish, and I follow matters in Denmark with interest. In Denmark and Holland, the equivalents of Milk Marque are allowed to produce and process up to 70 per cent. of milk production—in countries which are directly competing with our farmers. I have yet to be convinced—I can put my farmers' minds at rest—that Milk Marque should be broken up in this way.

I wish to refer to the Bill on access to the countryside. The impact of such a Bill and the extra responsibilities on rural communities will be difficult to evaluate. The proposal will introduce, effectively—in the Government's words—the right to roam. I believe that that is a misguided policy, which underlines the Government's ignorance of how the countryside works and of the responsibilities of those who farm and work the countryside—responsibilities which they must meet without help from the Government, or in future from the European Union.

A constituent who lives in north Yorkshire came to see me on Friday of last week. She and her husband are farmers, and of their 13 fields, 11 have footpaths. There is now a dispute over a new footpath which was not in the original plan and which is now a bone of contention between my constituent, a host of neighbours and North Yorkshire county council. This matter has upset my constituent and her neighbours, one of whom is an older lady who lives alone in an isolated part of north Yorkshire. The path would go straight past her front window. One can imagine that, on a dark winter's evening, seeing strange faces at her window would not be good for her constitution.

My constituent's husband recently received a delivery of wood for 23 stiles. He has been told—before the Bill is introduced—that he must put up those stiles single-handedly. With all the problems that the farming community in the Vale of York faces, I do not understand how farmers are expected to have the time or the resources to put in stiles. Their responsibilities will be added to if the right to roam and the access to the countryside Bill are adopted. The Bill and the right to roam will be intrusive and a threat to security. They will damage the environment, and the cost to the countryside and to the farming community will be great.

I am delighted to see that the Minister of Agriculture, Fisheries and Food has resumed his place in the Chamber, and I hope that he can help me with this matter. The right to roam could lead to more footpaths, and to more people roaming around the beautiful countryside of the Vale of York. What would happen if someone was to have an accident on the land of one of my constituents? Would my constituent have to take out compulsory insurance, or are the Government proposing to take responsibility?

I wish to refer to transport, and particularly to how road charging will impact on those wishing to enter cities. I have had discussions with a number of interested parties, and there seem to be many insurmountable problems as to how the charges will be imposed and policed. Are the Government assuming that there will be a second tier of traffic wardens to monitor parking charges within towns? Are the Government suggesting that there should be a new tier of bureaucrats to see whether people have paid to park in the work place or at home?

Like other Opposition Members, I wish to make a modest plea on behalf of two villages—Spofforth and Sutton-under-Whitestonecliffe—which more than qualify for a bypass. The Spofforth parish council—with my support—made great representations to North Yorkshire county council. At the moment, there are complicated criteria on security and safety, and—dare I mention it—the unwritten law on the number of deaths there must be each year before a bypass can be built. I hope that the Government will look favourably on stretching the bypass programme where appropriate, and that they will look at making the criteria a little more user-friendly.

I wish to make a plea for upgrading the A1 from Dishforth to north of Scotch Corner to motorway status. The project was in the roads programme and, I regret to say, was dropped just after the election. I visited the village of Rainton, and met many villagers at the invitation of the parish council. There is a particularly dangerous spur road off the A1 which goes to the constituency of my right hon. Friend the Member for Skipton and Ripon (Mr. Curry). Many of the people in Rainton use doctors and other facilities in Ripon, and depend on emergency services coming from Ripon in the event of an accident.

There have been two fatal accidents in the past six months. However, rather than the road being widened—or a bridge being built over it—it was closed to lay down some red markings. There are no lights yet, and the fatality record proves that we need to revisit the subject of the improvement and upgrading of the A1.

The Deputy Prime Minister challenged the Opposition on hypothecation. He has given the House a commitment that money raised from congestion charging will go towards improving public transport. But how will that work in a deeply rural, sparsely populated area where many villages may be inaccessible to major routes such as the A1 or A19? How will we benefit from congestion charging in the city of York?

Will money be spent to improve public services where we really need them, and not just on park and ride—which is contentious among my constituents? We have lost a large segment of the green belt. The Secretary of State seems to have lived up to his commitment to build on the green belt, as the park-and-ride scheme was built on the one remaining part of the Vale of York which was greenbelt. Will the Government explain to my constituents how public transport services in rural north Yorkshire will benefit from the scheme?

Mr. Letwin: Is my hon. Friend suffering from the illusion that Labour Members have been trying to foster? She does not imagine, does she, that hypothecation means extra money? It means that some money which would otherwise have been described as general expenditure is re-described as having come from a certain tax.

Miss McIntosh: We have one or two hurdles to overcome, but I accept my hon. Friend's argument that this is not extra money. For example, the money raised from congestion charging and car park charging in the city of York will perhaps be spent on public transport in the city of York. However, it will not be spent on public services generally in the rest of north Yorkshire.

My concern is that there will be a battle with the Treasury, and my hon. Friend the Member for West Dorset (Mr. Letwin) will be aware that the devil is in the detail. We must ask whether the Treasury will deliver the promise of hypothecation in public transport services. In fact, less money could end up being spent on the services.

I do not want to pre-empt the outcome of the Cullen inquiry, which will certainly come up with proposals that the House and the Transport Sub-Committee, on which I have the honour to serve, will want to study in great detail, but if the Government are serious about putting safety first they must define clearly the different roles and responsibilities of those involved.

In the recent hearings to which the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) referred, the Committee heard a lot of criticism of the privatisation process and an allegation that the rail industry had been fragmented. We face the danger of greater fragmentation under the Secretary of State's safety proposals. The responsibilities of Railtrack, the Health and Safety Executive, the Strategic Rail Authority, the Rail Regulator and any new safety agency must be clear. The public must be assured that the buck stops somewhere. The last thing we want is greater fragmentation.

Freight grants should be made available to all operators, large and small. At the moment it is probably too easy for a large operator to make an application and more difficult for a smaller one. We should also keep the whole question of freight capacity under review. GNER operates the services between London and Edinburgh through the Vale of York. There is enormous capacity for freight there. Obviously, safety must come first, but I hope that the capacity will be taken up.

My constituents frequently ask about the promise that was made that Eurostar would operate direct trains from Scotland and the north of England. Passengers from the Vale of York were led to believe that they would be able to board a train at York for Brussels or Paris but that has simply not happened. That has been a great disappointment and I hope that the matter will be kept under review.

On the privatisation of National Air Traffic Services and the public-private partnership, it is fair to await the Bill to see the details, but the Government must inform us where real control of NATS will lie: with the Government or with the private sector partners. We need an answer this evening.

I shall now be a bit controversial and perhaps part company with my Front-Bench colleagues. They are aware of my views and we continue to have discussions. I am disappointed that the right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang) is temporarily absent and will not be able to intervene in my support. I believe that we should take air safety as the model for rail safety. The structure of responsibility lying with the airline involved, under the supervision of the Civil Aviation Authority, is a model of how to run safety.

Civilian flights above 20,000 ft in the European Union would be safer if passengers knew that they would be within the overall responsibility of Eurocontrol. If we compare the fragmentation of European air traffic control with the integration of that of the United States, with a similar geographic area and population, we can see how weak our position will remain until we give Eurocontrol the powers and responsibilities to control flights above 20,000 ft.

I flew across the European Union for some years and took no comfort from the knowledge that in many instances air traffic controllers were not even working on compatible computers. Sometimes controllers would be operating a computer with one hand and holding a telephone in the other in an attempt to communicate with the next controller down the line. That situation continues, and we need to make some rapid progress.

I hope that there will be some progress in bilateral negotiations with the United States, especially on reciprocal rights for our carriers to access the internal market of the US—cabotage rights—and on European carriers having equal rights of ownership. There has been painfully little progress so far.

[Miss McIntosh]

We Conservatives want an efficient, reliable and above all safe transport system with a sound infrastructure. We believe that that is best achieved through a reduction in state controls, the input of private enterprise and better management. Those are the criteria against which public sector improvements will be judged and delivered. I am extremely disappointed that the Government's legislative programme is regressive and will not lead to reduced congestion or improved transport services.

3.27 pm

Mr. Neil Turner (Wigan): I am extremely grateful to be able to place on record my tribute to my predecessor, Roger Stott. I am uniquely able to do that because I knew him way back in the late 1960s when we were both in the Labour Party Young Socialists, fighting the good fight against the extremists. I followed him on to both the regional and national committees of that organisation, and it seems that fate has now determined that I should follow him into the House of Commons.

Roger was elected in 1972 for the neighbouring constituency of Westhoughton. I did not get to renew my acquaintance with him until boundary changes in 1983 put part of his old constituency into the new Wigan constituency and I became, at different times, chairman and secretary of his constituency party. He maintained the long and noble tradition—going back to 1918—of Labour representation from Wigan.

Roger was a Front Bencher for much of his time in the House and he was well respected by hon. Members of all parties. The tributes that were paid yesterday bore witness to that. He was an assiduous constituency Member and one of the first in my area of Lancashire to set up a well-resourced office to look after his constituents' needs. One of the first people whom he employed there was my right hon. Friend the Member for Makerfield (Mr. McCartney), now the Minister of State, Cabinet Office.

Roger had a hinterland, as the new expression has it. He was not only a politician. He had a great interest in cricket and was a member and regular attender at Old Trafford, whenever his parliamentary or constituency duties allowed, as well as at the Oval and Lord's. He was also the mainstay of the all-party group on cricket. His interest even extended to setting up a team in Wigan, which he called the Levellers, which was appropriate, considering that Wigan was the birthplace of Gerrard Winstanley. Just how important the game was to Roger is shown by the fact that he succeeded in inveigling me into playing cricket with him. That says much for his desire to play the game, but not much for his ability as a selector.

Roger threw himself into his job as an Opposition spokesman on Northern Ireland. He was extremely assiduous in trying to ensure that peace was engendered between the two Northern Ireland communities. He reached his real parliamentary fulfilment at that time. Even when his job no longer directly involved him in Northern Ireland, he continued his search for peace and for ways for the two communities to come together in understanding. The number of people who came from Northern Ireland to pay tribute to him at his funeral, and the realisation that his efforts had been recognised, was a source of pleasure to his family. It is fitting that half his ashes were scattered in Northern Ireland to make sure that his connection with the place would continue. It is equally fitting that his remaining ashes were spread in his Wigan constituency, which he represented so well.

Roger was a great advocate for Wigan. That was probably one of his easier jobs, because Wigan is a great town with magnificent people. It has an extremely long history: it is a pre-Roman settlement. Hon. Members should not worry that I will go through Wigan's entire history—I shall be brief. Wigan was a Roman town, called Coccium. It was continuously settled, as can be seen from the place names in the surrounding areas and in the town itself, by the native British Anglo-Saxons and the Viking settlers. After the Norman conquest, we had the honour to be one of the four boroughs in the Lancashire area. In 1246—over 750 years ago—we received our charter.

Lancashire is well known for the many great Catholic families who have lived there throughout its history. When civil war broke out in 1642, Wigan was, from the point of view of this House, on the wrong side, joining with the Catholic king, Charles I. There was suffering in the town after the parliamentary victory in the civil war. But during the Restoration, Charles II noted the town's contribution to the cause of the Crown and gave us our coat of arms, which bears the motto "Ancient and Loyal".

Coal has been mined in the area for many years, from surface pits and then from drift mines. That natural resource was exploited in the industrial revolution, first by canals, such as the Leeds-Liverpool canal, and the Bridgewater, the world's first commercial canal, and then by the railways, which opened up the town and its products—particularly coal—to the rest of the country.

Coal, cotton and engineering became the mainstay industries of Wigan in the late 19th and early 20th centuries, as was the case in many other Lancashire towns. In the 1930s, Wigan, like many other areas, was hit by the great depression. However, it allowed George Orwell—real name Eric Blair—to make famous the music hall joke, and our town, by writing about what we would now call the underclass in "The Road to Wigan Pier".

After the post-war boom of the 1950s and 1960s, the coal and cotton industries declined; that decline became precipitous in the 1980s. Wigan's go-ahead council faced up to the problem by making the creation and saving of jobs its first priority. It went out of its way to attract new industries into the town. Wigan has the Great Universal Stores, the Tidy Britain national group and the Tote. It also has Millikens, an American carpet company which brought to Britain cutting-edge computer technology for the carpet industry. When my right hon. Friend the Deputy Prime Minister came to Wigan to support me in my by-election campaign, he came to the Plaxtons bus factory, which was saved by local government money. The company has since expanded and now employs many hundreds of people to produce quality buses.

The Wigan Borough Partnership, formed by the council, is a partnership between the council, local businesses, the chambers of commerce, chambers of trade and the training and enterprise council. It has been held up by many Ministers, both Conservative and Labour, as a model of how local authorities should work with the private sector in regenerating the local economy for the people.

Of course, partnership is not new to Wigan. Way back in the 1950s, the county borough joined with Lancashire county council to bring the Heinz company into Wigan. I say that that was a partnership, because the factory straddles the border between the old county borough and the Lancashire county council—the Orrell urban district, as it was then. That boundary is still there, so half the factory is in the constituency of my neighbour and good friend, the Minister of State, Cabinet Office, my right hon. Friend the Member for Makerfield. I can assure the House, however, that the factory's most famous product—over-indulgence in which could lead to effluence—is made in the part of the factory that is in my right hon. Friend's constituency, not in mine.

It is a tremendous tribute to the town, its people, its local businesses and the council that unemployment is now just slightly higher than the national average, especially considering the depredations of the 1980s and the terrible changes that were forced on us then. Of course, there are still pockets of urban deprivation and social exclusion. But the Government's working families tax credit, the increases in child benefit, the new deal and the introduction of the minimum wage have all put money into the pockets of ordinary people in Wigan. That money flows straight back into the local economy, increasing employment. The Government's measures are increasing the ability of local people to live decent lives, and also represent a significant boost to the local economy.

Wigan has moved a long way since receiving its charter in 1246; we still have our history. What about "Uncle Joe's mint balls, that keep you all aglow"? They are known and sung about around the world. And of course we have the famous Wigan rugby league team, probably the most famous team of either code in the world. It is known wherever rugby is played. It was the first rugby league team to be invited to play in the Middlesex sevens. In fact, it is the only one, but that may be because we won it. It was the first rugby league team to play a rugby union team, and the first to play at Twickenham. It has moved on and up. It now has a brand new home, which it shares with Wigan Athletic football club, which stands at the top of the Nationwide second division. I hope that that team will go on to become the champions and move into the first division, as a stepping stone to its premiership ambitions, in which I am sure it will succeed.

The brand new, joint use, all-seater stadium which seats 25,000 is in a triumvirate of stadiums in the Robin Park area. There is a council-owned, council-run athletic stadium, and a council-owned, council-run sports arena, which contains the northern centres of excellence for tennis and cricket. Hon. Members who helped me in my by-election campaign were very impressed by that collection of sporting facilities in the Robin Park area.

Wigan is not all urban: countryside surrounds the former pit villages of Crooke, Aspull, Standish and Haigh on the constituency's northern edge. They open out into wonderful countryside. Indeed, only an hour or so's drive from Wigan are north Wales, the Derbyshire dales, the north Yorkshire moors and the magnificent lake district.

That brings me to one of the reasons why I wanted to speak in this debate. It has always been important to working people to go out to the country. For people who were wage slaves in pits or mills for six days a week, it was important to be free men on Sunday. That is what the right to roam will enshrine in statute—the right of ordinary people to enjoy the countryside. The measures for wildlife protection, which will protect our ancient woodlands and meadows and biodiversity, are also important to ordinary working people. The council and voluntary groups in Wigan have worked hard on those matters, both in the town and in the surrounding areas.

I welcome the Bill that will continue the process of modernising local government. I am one of the few Members who is also a councillor, and I have been for 25 years. Modernisation is a four-part process. The Government have already begun on best value and an end to crude and universal capping. The further two parts—ethics and the management of local government—will be dealt with in the coming Session.

On ethics, most fraud in local government is committed by the public against local authorities. Only a very small amount of fraud or corruption is committed by officers or councillors. I do not deny the importance of rooting out such fraud, but it knows no party boundary. We ought to be careful not to throw party political stones as we all live in glass houses in that sense. A clear and consistent code of conduct is important to ensure that no one goes into local government or other public service purely for personal gain.

On management, some people see the introduction of mayors as a panacea. I am not among them, but I believe mayors can play a role and the community should have the ability to choose its own form of government. Splitting the executive from the rest of the council offers opportunities to local councillors, but there are dangers in that system, and we must be sure to handle change carefully. The form of management chosen by a council must be relevant to local people.

I am proud to follow Roger Stott into the House of Commons. I am honoured that the people of Wigan chose me as their representative here, and I am proud to support a Labour Government who are carrying out manifesto commitments that will make this country a better place for ordinary people to live and work.

3.42 pm

Mr. Oliver Letwin (West Dorset): It is a pleasure to follow the hon. Member for Wigan (Mr. Turner), who spoke with charm and fluency. One is, of course, meant to say that of a maiden speech, but in this case it is true. What is more, the hon. Gentleman sufficiently disagreed with my views about the right to roam to assure him a safe and prosperous future on the Labour Benches. I am sure that we shall hear him speak many times, as much to the point and equally in disagreement with my views.

Unusually, today's debate joins the environment and agriculture, and I wish to speak about the interstices between those subjects. First, I shall discuss the state of agriculture, particularly in West Dorset. It is a week or two since we held the third of a series of debates on agriculture. In a world in which, we are told, only e-commerce, the development of telecommunications and other whizz-bang, high-tech industries move quickly, it is astonishing that the situation in agriculture should have evolved dramatically, to say the least, in the space of just two or three weeks.

I recall saying in the presence of the Minister of Agriculture, Fisheries and Food about three weeks ago that the situation of our pig farmers was dire. For some of them, it is no longer dire: they have gone out of business. I said that some of our smaller and

[Mr. Oliver Letwin]

medium-sized dairy farms faced imminent closure; and, in just three weeks, that is no longer true, as some of them are out of business. One of my constituents ran one of the most efficient middle-sized farms—500 acres—in the area. He received various accolades for his business acumen, but he has sold up and left the business.

The situation is going to change not over the next month or six months but over the next few weeks—and not in a drain but in a cascade. Present policies will lead to the virtual elimination of all but three classes of farm in West Dorset. There will be old family farms where the owners have never borrowed. They hold their quota by purchase, and they have no fixed costs other than the modest cost of a modest existence in a modest house. They will continue until the farmers retire or die, and they will not be succeeded by their children.

The second class that may survive consists of those farms lucky enough to engage in some industrial process. One farm in my constituency combines the rearing of pigs with dairy production in a highly mechanised modern fashion. It has gone for the upper end of the niche markets for both meat and cheese. In effect, it is a wholesaler of final product, and a farm only in an ancillary sense.

Thirdly, some land will be farmed by very large contract farmers. Much land, however, will go out of production. My hon. Friends the Members for Vale of York (Miss McIntosh) and for Ludlow (Mr. Gill) will testify to the same patterns of change in their constituencies, whether faster or slower than in mine.

Miss McIntosh: Does my hon. Friend agree that the decline in farming is being expedited by the stranglehold of bureaucracy and form-filling imposed by the Government? Would it not be a great gesture in the run-up to Christmas if the Ministry of Agriculture, Fisheries and Food eased off on the regulatory bureaucracy?

Mr. Letwin: Absolutely. The threat of the integrated pollution prevention and control regulations—mentioned by my hon. Friend the Member for Ludlow—the offal disposal costs, the aggravation of IACS forms and the endless inspections and parade of bureaucracy do nothing to help, and the extra costs imposed are accelerating decline. I hope that the Minister of Agriculture, Fisheries and Food will tell us today whether he can do something about offal disposal costs. I persist in believing that he has an absolute right to act. He has not deposited in the House of Commons Library any legal opinion to the contrary. Action would be a welcome help for a pig industry in near-terminal decline.

We moved from the serious problem of six or nine months ago to the crisis of three months ago in both the dairy and pig industries. We have moved now to impending catastrophe. We shall lose traditional farming in West Dorset and, I suspect, in England.

I said that I would speak about the interstices of the environment and agriculture. I want to try to explain how someone such as myself—a free trader and a free marketer—can believe it right to try to avert the catastrophe that I have described. We should not do so merely with early retirement schemes, although my farmers would welcome some help in leaving the industry with dignity. It has been months since we first heard from the Government about early retirement schemes, and it would help if some schemes were produced.

In addition to early retirement, however, we need subsidies. Now, how can someone like me defend agricultural subsidies? *[Interruption.]* The Minister of Agriculture, Fisheries and Food says that I can do so because I have a farming constituency. I do have such a constituency, but I supported agricultural subsidies when I stood for the seat now occupied by a candidate for the mayorship of London—the hon. Member for Hampstead and Highgate (Ms Jackson). In fact, it is about as far from being an agricultural seat as humankind has yet devised.

Mr. David Heath: What about Hampstead heath?

Mr. Letwin: It is rather a long time since Hampstead heath had a cow or a pig on it.

I am a free marketeer and a free trader, yet I favour agricultural subsidies—and I suspect that anyone who understands the relationships between agriculture and the environment is bound to do the same. Agriculture is not in an ordinary sense an industry, and the countryside is not a park—nor was it given to us in its present form by accident. The shape of our countryside, which is part of the nation's ancient inheritance, evolved because of what human beings have done to it.

It is conceivable that our countryside could return to its mediaeval origins. Notwithstanding the efforts by the Ministry of Agriculture, Fisheries and Food to study the matter, we now have wild boar in West Dorset.

Mr. Neil Turner: Perhaps the hon. Gentleman is the bore.

Mr. Letwin: I may be a bore, but I assure the hon. Gentleman that I am not wild.

I first brought to MAFF's attention the fact that there were wild boar in West Dorset when I first entered the House two and a half years ago. I put down a harmless question asking whether the Ministry was aware that there was a feral population of wild boar there, and I was told, "No there isn't." Then the Ministry sent down a chap to find out what was going on, he did so, and I asked another question: what would the Ministry do about it? The answer was that there would be another study. We have not yet heard about the study, so nothing has yet happened about the wild boar in West Dorset.

As I said, I can imagine the whole countryside reverting to its mediaeval origins. There would not only be wild boar all over the place, but lots of forests and, as a result—this will please Labour Members—hunting everywhere. Hunting developed in this country because it was necessary for humankind to defend itself against certain animals.

However—I hope that this is the more realistic prospect—if we wanted to keep our countryside looking roughly as it does now, but without agriculture, we would have to pay somebody an awful lot to look after it. We could try to persuade landowners to look after it, but they would be disinclined to do so because it would be such a costly exercise. There are probably not enough people in the United Kingdom with enough money to keep up as parkland all the land that is now agricultural.

We would therefore have to do one of two things. The first option would be to do what I begin to suspect not only the Cabinet Office but the Department of the Environment, Transport and the Regions have as their

ulterior purpose—to allow massive housing development on the land. That is the very plan that was leaked from the Cabinet Office, and it is a perfectly rational plan, which would be entirely economically sustainable. I have not the least doubt that over the next 10 or 15 years Dorset could have not 50,000 new houses, but 500,000.

I am sure that there would be takers. As the prices for country cottages and holiday lets came down, the inhabitants of the city would flood in, and the landowners would be adequately remunerated by those huge housing developments. By then the landowners would no longer be farmers; the Government's wonderful policies would have produced groups of great landlords. I suspect that that is where the Government are heading. It is a perfectly rational economic prospect, but a perfectly appalling environmental prospect.

If that happens, landowners will no longer be farmers because they will have been driven out of farming by an unfair regime that allows other people to compete us out of the market, combined with an unwillingness to subsidise sufficiently to enable us to support that regime. If we then wanted to persuade them not to build houses but to keep the parkland looking like parkland, we would have to pay them mightily.

In fact, if I replay history a little, I can imagine the English countryside being looked after in that way, by stewards and executive agencies set up to pay people to keep the landscape looking the same, but without farming. Then some brilliant person—perhaps the Minister's special adviser—might make a clever suggestion. "Minister," he might say, "We could lessen the subsidy that we have to pay to keep England looking the way it does if we did a spot of farming. We could bring in a bit of income to supplement what we would otherwise have to pay."

The Minister—it would not be the Minister of Agriculture but the Minister for the Parklands of England, responsible, perhaps, for the executive agency English Parks—would look round and go off and get some expert scientific advice. There is not much of that in MAFF, of course, although there is a great deal of inexpert scientific advice all over the place.

The advice to the Minister would be that he could indeed save money if the parkland was used productively. Although it might not quite pay for itself, the agriculture would bring in a good bit of the money that would otherwise be spent looking after the place. That is the justification for subsidising agriculture.

Agriculture is an industry that we need environmentally, and we as a society do not have to pay nearly as much for it as we would have to pay in the long run to keep the place looking as it does now—if that is what we wanted. Subsidy is the social cost that we pay to avoid the plans of the fiends in the Cabinet Office to house over the whole lot.

Mrs. Dunwoody: I have been paying close attention to the hon. Gentleman's fairy tale, and I am very interested in it. However, he has managed to create the whole scenario without once mentioning the element that so distorts the agricultural industry in this country, with such dramatic results. What is his view of the common agricultural policy? What role does he think it plays?

Mr. Letwin: The hon. Lady may or may not be surprised to know that my view is that we would be better off if the whole common agricultural policy was scrapped. I have not the slightest doubt, and neither have the farmers in West Dorset, that they would be much better off if they could, by and large, compete in an open market on fair principles and receive subsidies only to the extent that they were unable to compete in that market.

I believe that the total subsidy required to keep our agriculture going would then be minuscule compared with what we contribute to—and receive back from—the CAP. I am speaking not about the net effect on the United Kingdom economy but about the gross effect on the UK taxpayer. The CAP has brought forth unnecessary production, imposed quotas to deal with that, and then imposed huge administration costs—in short, it has distorted the market so as to maximise the subsidies required to keep that market going.

I suspect that that opinion is common ground between many Labour Members and many—in fact, almost all—Opposition Members. But none of us knows how to unmake that dreadful machine. *[Interruption.]* If the Minister knows how, it is surprising that he has not yet done it. I venture to prophesy that by the end of his time as Minister of Agriculture he will join the ranks of the many previous occupants of his post, all of whom failed to do it.

I would welcome it unreservedly if the whole CAP were scrapped tomorrow. I expect that there would then be far fewer subsidies. I was trying to explain why I need not oppose—indeed, why I must go on supporting—the degree of agricultural subsidy necessary to keep the industry going, on environmental grounds.

I have been trying to think about the subject a lot in the past few months, and it seems to me that the Government's problem, even with a Minister who really has good intentions towards the industry, is that, essentially, the Government's deepest thinkers are following an entirely different logic. They reckon that agriculture is the equivalent of the coal industry, and that the Labour party should see it in the same way as the Tories saw that industry. They think that it is an industry that has had its time, is kept going by subsidy and needs to be got rid of. If we got rid of it, except for the tiny fraction that is economic, we would, they think, have solved the problem.

Then, if the leftover land caused problems, it should be used productively by building houses on it.

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I am familiar with the argument that my Government's approach to agriculture is in the same mould as what the Conservatives did to the coal, shipbuilding, steel and heavy engineering industries during the 1980s. I specifically rejected that argument in my speech to the Labour party conference this year, and I got a cheer for doing so. Our approach to agriculture is to address the problems in their real terms and to help people who are going through a difficult time to get through in an economically rational way.

Mr. Letwin: I take the Minister's words entirely at face value. They are an honest reflection of his own views. However, they do not represent the Government's deepest thinking on the matter. I expect that there will come a time in the not-too-distant future when the Minister will find himself locked in combat with powerful members of the Government.

[Mr. Letwin]

If, as I believe, the Minister's words do not represent the Government's thinking, let me suggest the following steps. First, we need them to take action—not slowly and in the next few months, but in the next few days—to maintain two parts of the agricultural industry that are under the most severe and intense threat—the pig industry and the dairy industry. It is already three weeks since the Minister last said that he would consider such action. We need something to be done now.

Secondly, we need an absolute statement, not from the Minister but from the Deputy Prime Minister—if not the Prime Minister—that he utterly abjures the idea that has been leaked as the thinking of his own kitchen cabinet: that of trying to solve the problems of the land of this country by housing over it. Thirdly, we need a reconsideration of the status of agriculture as an industry so that it becomes clear that, quite apart from any economics, its value to society makes it worth subsidising. If those three steps were taken, the industry would survive and we would be able to relax a little in the face of what I fear is about to hit not just us and the farmers in my constituency, but the Minister himself.

4.2 pm

Mr. Martin Salter (Reading, West): I welcome the Queen's Speech and I am proud to be a Labour Member supporting a Government who are delivering for my constituents. I am pleased to welcome many of the measures contained in yesterday's speech, particularly the proposals to establish the Strategic Rail Authority and to introduce a countryside Bill extending the right to roam. However, I regret the inclusion of plans for the partial privatisation of National Air Traffic Services. Given the loose wording in the Gracious Speech, perhaps it is still possible to change the Government's mind.

The speech says that a new transport Bill

"will include measures for National Air Traffic Services to separate safety regulation from operational matters, and deliver major investment in the next generation technology."

Those are fine objectives that are worthy of our support, but they are entirely achievable without privatising one of our finest public services.

Like my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), I want to remind the House that the Paddington train disaster, which had an effect on my constituency, has changed the political landscape significantly. It has reignited concerns about the suitability of privatised safety regimes. Pressing ahead with this public-private partnership now would be insensitive and completely out of step with the public mood.

A recent poll conducted by *The Guardian* shows that 73 per cent. of voters are in favour of renationalising large sections of the railway, although that is not a realistic proposition. Other polls indicate that 72 per cent. of the public are against the privatisation of air traffic control. In fact, only 16 per cent. are in favour of it.

Labour Members have no problems with the separation of safety regulation from operation. We agree that air traffic control should not have to compete with schools and hospitals for scarce public resources. However, these are not the crucial issues. The nub of the argument in the House and in the country is the essential conflict of interest between commercial pressures and the delivery of a public service. It is significant that Richard Branson of Virgin Atlantic and others have already indicated their desire to buy a large stake in National Air Traffic Services. That could represent a serious conflict of interests. The track record of Virgin Trains is hardly one that we would wish to replicate in the skies. Of course we recognise the need for extra investment, but there are other ways in which to achieve that without recourse to privatisation.

The report of the Select Committee on the Environment, Transport and Regional Affairs offers Ministers other alternatives. The independent, publicly owned corporations in operation in Canada and New Zealand are one such model, as are the trust models. They free air traffic control from the public sector borrowing requirement and allow it to raise capital for future investment. NATS is an extremely attractive proposition for investors, with a guaranteed income stream returning an operating profit of £55 million in 1997. There have been suggestions for the future of the Post Office to give it the necessary commercial freedom. Let me say for the record that if that is good enough for the Post Office—a much-cherished and much-loved public institution—it is good enough for air traffic control.

If one looks at the argument from the other side—perhaps from a neo-Thatcherite perspective—one finds other question marks over the proposed deal. Until the computer problems at Swanwick are sorted out, one could argue that to dispose of a public asset at a rate far below its eventual sale price is irresponsible and is playing fast and loose with public assets. Perhaps this is not the time even to consider privatisation. We heard about the funding regime for Manchester airport in the exchange between my right hon. Friend the Deputy Prime Minister and my right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang), but what worries me and many of my hon. Friends is that this proposal is a gamble.

At times I am proud that Britain is ahead of other nations and is regarded as innovative, but this is not one of those times. No other country has been down this road and this is the last service that anyone should gamble with. When an aircraft drops out of the sky there are few, if any, survivors and we need to be absolutely sure that the course of action that will be laid before the House is the right one. I really do worry about it.

The proposal was first made by the previous Conservative Government; it was a politically inspired measure. If political meddling with air traffic control reduces safety standards, the consequences are too appalling to contemplate. It will be of little comfort to our constituents who live under the Heathrow flight path in London, Slough and Reading if we say in years to come that the Government did not listen to the warnings of Labour Back Benchers and, perhaps more importantly, the men and women who have given us the finest, safest and most efficient system in the world.

It would be arrogant for Ministers to dismiss the views of the people who provide the service. When the pilots through the British Air Line Pilots Association and the air traffic controllers tell us that they are seriously worried that commercial pressures will compromise safety, we should listen to them.

The experience of the commercialisation of the Swiss air traffic control service is not good. Staff at the Secretary of State's office have been swamped with e-mails from Swiss air traffic controllers. They were good enough to send me copies. One says:

"I am an Air Traffic Controller working for an ATS Provider that has been privatised since January 1996.

I am concerned about the effect privatisation has had on Air Traffic Control.

In my experience:

When the company I work for was a Government Department, the overall emphasis was on safety rather than financial considerations.

With privatisation, I believe that this emphasis has shifted to cost-cutting at every available opportunity—even to the detriment of safety. Also, for a few highly placed people, it has meant significant rewards or bonuses, without coming under any form of scrutiny.

Privatisation has meant redundancies, a halt in personnel recruitment, outsourcing, numerous restructuring episodes and diminished working conditions. This has led to our current critical situation: a chronic shortage of personnel, staff morale and motivation at an all-time low and a serious lack of confidence in management as well as in our technical and administrative support.

Having witnessed the transition from a Government Department to a Privatised ATS provider, I believe that:

The end of large state monopolies means the apparition of 'super monopolies' with little or no transparency.

The monitoring of safety associated costs and investment in Air Traffic Control, MUST remain a Government responsibility.

As such, I am completely opposed to the privatisation of NATS."

That communication is signed by an air traffic controller from Geneva area control centre in Switzerland.

The NATS public service ethos puts public safety above all else, as it is immune from shareholder pressure to reduce costs. Britain currently has a service regarded as the safest, best and most efficient in the world. I want to keep it that way. As I said earlier, it would be grossly insensitive, after what happened at Paddington, to proceed with undue haste with these proposals.

Given the large transport agenda before us, I do not understand why we are seeking to divert attention from the need to improve public transport by proposing to privatise a popular public service that returns a profit to the Treasury. That profit amounted to some £40 million last year.

Mr. Prescott: Will my hon. Friend give way?

Mr. Salter: In a minute.

It is a question of trust. I am old fashioned enough to believe that we should keep our promises. In October 1996, seven months before the general election, my right hon. Friend the Member for Oxford, East (Mr. Smith), the present Chief Secretary to the Treasury who was then Opposition transport spokesman, declared that our air was not for sale. In opposition, our policy was to retain full public ownership of NATS. Given that there are viable alternatives to the public-private partnership, why should we break a clear pre-election promise? Why should we press ahead with a discredited Tory proposal that we rightly opposed before 1 May 1997?

The opposition to the proposal is not confined to the Labour party, or to the people in our country, or to the controllers and the pilots. It is evident in this House of Commons: early-day motion 446 indicated the depth of opposition to the partial privatisation of air traffic control. Labour Members rightly condemn the Conservatives for becoming ever more right wing. We attack their proposals to privatise the national health service, but we are considering a dangerous and discredited Tory plan, on which even the Tories have gone cold. Even those countries with rampant, right-wing regimes that have privatised everything that moves have stopped short of introducing full market forces into air traffic control. Nowhere else has done that: even New Zealand has a state-owned enterprise, and the United States is planning a Government-owned air traffic corporation with private borrowing powers. As I said earlier, the proposal is a gamble that many Labour Members cannot, and will not, support.

I give way to my right hon. Friend the Deputy Prime Minister. [HON. MEMBERS: "He has just left the Chamber.]

There is no financial pressure to go ahead with the sale of NATS. The Labour Government are no longer constrained by Tory spending limits. The economy and public finances are in good health. The public-private partnership would provide only a one-off capital receipt. It would lose the Treasury a profitable income stream of about £40 million a year.

Why has the proposal been made now? Are the Government so desperate for a capital receipt of £500 million that they must proceed with such haste? We know that there are others to deal with the future investment requirements of National Air Traffic Services. I have already mentioned the trust model and the independent publicly owned corporation model referred to in the Select Committee report, but there is also the option of a bonds issue. That mechanism is slightly contentious at present, but it funded the investment requirements of the channel tunnel rail link and it is available for National Air Traffic Services.

I sometimes wonder how we got ourselves into this mess. Perhaps a deal was done somewhere that I missed, or perhaps the proposal is driven by the Treasury. How genuine was the consultation on the various options for the future of National Air Traffic Services? Higher forces than I will have to address those matters, but I urge Ministers to think again. It is still not too late. Listening to Members of this House is a sign not of weakness, but of strength.

Labour Members will have heard, via their pagers, that we have a little local difficulty in London with regard to mayoral candidates signing up to manifestos. I believe that our candidates should abide by the party's pre-election promises. Before 1997, I and many other Labour Members were electoral candidates and we abided by our pre-election promises. We consulted nationally on our policy over air traffic control. In good faith, we told our constituents—some of whom worked at Heathrow or in the airport industry—that no future Labour Government would ever contemplate the privatisation of air traffic control.

I intend to keep the solemn pre-election promise that I gave on behalf of my party. I hope that Ministers plan to do the same.

4.16 pm

Mr. David Heath (Somerton and Frome): It is a great pleasure to follow the hon. Member for Reading, West (Mr. Salter) and I agree with much of what he said. I hope that he re-establishes some sort of dialogue with the Deputy Prime Minister in the near future.

[Mr. David Heath]

Unfortunately, I missed yesterday's Gracious Speech, for the very good reason that I was seeing constituents in Frome market. Although I studied the proposals in detail later, I intend to review them now through the eyes of my constituents. I shall apply the essential Frome market test to the Government's proposals to determine what is relevant to the people in my area.

That does not mean that I shall turn a blind eye to the wider legislative proposals. I agree with many of them, although some of them—notably the reduction in the access to jury trial—I consider to be retrograde and illiberal. Other proposals, such as those to do with freedom of information, are simply inadequate.

According to the Frome market test, the Government's proposals fall into three categories. There is the legislation that is proposed on the countryside, and the legislation that, by commission or omission, will have an effect on the countryside. Finally, there is the legislation that did not appear in the Queen's Speech.

I shall deal first with the legislative proposals for the countryside. We have already had a fair amount of debate on the matter, and I suppose that all hon. Members would agree that there is a need for better environmental legislation. The perennial problem is to balance the interests of the environment with those of a dynamic rural economy. There is also the need to facilitate proper access to the countryside for leisure purposes that should be enjoyed by those who do not have the privilege of living there. Getting that balance right is crucial to the success of the Bill.

We have argued for some time that there is a need for better protection of wildlife and of sites of special scientific interest. The Deputy Prime Minister has just returned to the Chamber, and I hope that he will say whether the Bill will address the vexed question of interim development orders. They represent a significant problem, in terms of their effect on SSSIs and of the distortions that they make to minerals planning systems across the board.

Many outstanding interim development orders litter the countryside. As a result, companies often have all the aces in their hands when they deal with planning authorities trying to make sense of the environmental and industrial factors involved in minerals extraction. However, I am pleased that those matters are being addressed.

When we have argued for better powers of regulation, we have always made it clear that they would be powers of last resort. They would be used to deal with those who do not co-operate and who do not go along with voluntary management arrangements.

Coupled with the need for better regulation is the need for better and more flexible incentives, so that people who are trying to manage land properly and are sensitive to environmental issues can proceed with their farming businesses. That balance is essential. The same applies to the right to roam. There must be a balance between the interests of those who wish to use the countryside for recreation and those whose livelihoods are bound up in working the countryside to maintain agriculture. In both instances, it is important to develop a right of appeal to an independent arbitrator if there is a dispute. There will be disputes and an unaccountable body should not take the final decision.

We also need to consider liability. Successive Governments have failed to tackle the problem of liability for people injured on someone else's land. I remember an absurd situation when I was on the county council. We were told that we had to put lighting on a closed and locked skip site at night because someone might break in, fall into a skip and break an ankle. If we did not have the lighting, the county council could have been liable. That is nonsense. The same could apply to farmed land and could imply liability on the part of the landowner.

Other measures in the Queen's Speech could have implications for the countryside, such as education. The speech stated that change has been focused on the infant classes. There has been a change and it would be churlish not to recognise that there has been more input into the education of younger children, which has resulted in reduced class sizes, but many problems are still associated with applying rules that were designed on an urban or suburban model to rural situations. Village schools are still threatened. Many such schools do not have flexibility with accommodation, which is a major constraint. I wonder whether the Government have fully recognised the difficulties.

Last week, I visited Bishop Henderson school in Coleford in my constituency, which has applied two years running for the capital spending that it needs to implement the Government's maximum class size policy. It was turned down last year and is hopeful of success this year. It cannot implement that policy without the classrooms to enable it to happen and at the moment the capital expenditure is not available.

There is a panoply of crime legislation. Again, the question is whether it will improve the criminal justice system in places, but only at the cost of reducing marginal expenditure on patrols in rural areas. For many years, there has been a diminution in such expenditure. I speak as the former chairman of the Avon and Somerset police authority, which is receiving a report this very day from the chief constable saying that he will have to reduce front-line services to put in place new Government initiatives. We all support those initiatives, such as DNA testing, but the authority does not have the resources to deal with those and to police adequately the country areas of my constituency.

On transport, we have not yet got right public transport in rural areas and it is possible that we will never do so. It is a major problem. I wonder whether we should look again at the Education Act 1944 and the interplay between school transport, which is a major expenditure for most local authorities, and public transport. There is a difficulty at the moment. Recently, a company that provides services over a wide area of my county has changed hands. One reason for the change was that it has to provide great 50-seater buses for school transport, which are unsuitable for small villages where they are picking up perhaps one or two passengers. The economics are not right and somehow we have to get them right.

Similarly, we must get rural rail services right. We have main lines that are vastly underused and could be used to provide a better rural rail system. However, I do not detect the forward strategic thinking that will make that happen. For example, Railtrack in its wisdom decided a few months ago to demolish a bridge in my constituency on the main London to Exeter line at Temple Combe. Now we have a single instead of a double rail bed, so that that main line cannot be converted to double use. Frankly, that

is absurd and it should not have happened. It is indicative of the fact that Railtrack has still not got the message that we want more investment and more use of our rail services.

I hesitate to use the term common sense about the congestion policies in the Government's programme because it has been devalued by the Conservative party, but we need common sense in applying anti-congestion policies to rural areas. It would be most foolish to apply taxation to areas where there is no congestion rather than applying the remedy to areas with the problem.

Most people in rural areas have to use a car. Car ownership is high in rural areas compared with urban areas, and most households have more than one car. They have to because they cannot operate without them. In general, these cars are also among the oldest in the country, so they are not a measure of relative richness, but of relative necessity. Surely we should consider ways in which to ease the burden for essential car users in rural areas, for example, by adopting a huge reduction in or the removal of vehicle excise duty, which would make an enormous difference to people in such areas at a stroke.

The Queen's Speech mentions a Bill for the Post Office. I will not elaborate on that other than to say that I have serious concerns about the effect of the proposals on sub-post offices in rural areas, which are an essential network. They have such a capacity to provide services in rural areas. At the moment, the income that they have lost from the removal of benefit payments is not being reinstated. All the automation in the world will not do anything about that in the short term. I ask the Government to reconsider that matter.

I also ask the Chancellor of the Exchequer to reconsider his rather surprising announcement last week that he would introduce a punitive regime of daily signing on for people suspected of fraud. How will that work in rural areas? How is someone to sign on 20 or 25 miles away every day and make sense of the social security regime? It is not a sensible measure.

The main thrust of this debate has been agriculture. I cannot add to all the speeches about the desperate agricultural crisis. Perhaps it is not surprising that the Queen's Speech does not contain primary legislation on agriculture—some would say that more legislation is the last thing that we want, as some of the present secondary legislation is more onerous than it should be.

The situation has been more than adequately described by hon. Members who have outlined their experiences. The only thing that is keeping many farmers going for even a few weeks and months ahead is the fact that land and quota prices have held up. That will not continue. The fact that land prices have held up is largely due to non-agriculturists buying into the rural economy—buying a farmhouse with land—and not to bare land prices. The moment that these prices start to reduce, the banks will pull the rug and there will be an enormous number of business losses.

The problems facing the pig industry have been highlighted and are extreme—they could not be more urgent—but the same applies to the dairy and the sheep industries. Yesterday morning, I watched a disposal sale of cattle. A relatively young farmer was selling good stock—black and whites, second or third calving. It was reasonably good-quality stock, but it was fetching less than £300 per cow—£285 perhaps. Four or five years ago, it would have been twice or three times that. It is a desperately miserable position to be in.

There is no business in the calf rings. On a good day, there may be some bidding for continental calves, but, generally speaking, there is no movement in the calf market. In the sheep pens, no one is bidding for sheep and there are not many there. No one has seen a pig in the market for years. That is the reality.

There is a knock-on effect for all the industries that depend on agriculture. A couple of livestock hauliers at the market told me of their experiences. I will mention their names because they were kind enough to spend time explaining the situation of their businesses to me: Mr. Butt of Charlton Musgrove and Mr. Conway of Bratton Seymour. As a sign of how bad things have got, one of them said that he had calculated his bad debts in June or July at about £5,000 but that by October or November, they had risen to £28,000. That is the state of agriculture. If it cannot pay the downstream industries, those industries will go. In the case of livestock, that is serious because specialists are involved. Not anyone can drive a livestock lorry. Once those skills have gone, they will never come back. All we are doing is inventing jobs for people overseas.

I urge the Government to examine what they can do. I would have liked some minor measures in the Queen's Speech to help tackle the agricultural depression. I would have liked legislation to assist the formation of farmers' markets. The Minister of Agriculture knows of the problems with existing market charters. I wanted legislation to establish an agricultural ombudsman so that we could act on the overload of pettifogging bureaucracy that is often applied far too strictly. The Ministry of Agriculture, Fisheries and Food is always right and the farmer always wrong even when the matter patently involves a simple mistake that anyone could have made.

I would have liked measures to deal with fair competition, labelling and the oligopoly of the supermarkets. We have heard today of a new wheeze from Safeway, which has asked for a £20,000 premium on producers. Given the state of the industry, it cannot be right for a supermarket to use its market muscle to bully producers whom it knows can do nothing to withstand it.

I would have liked changes in the compulsory competitive tendering regime that the Tories introduced. They have been moaning about the fact that local authorities cannot select where they buy their goods from, not realising that it is their legislation that prevents local government from making rational decisions about sourcing goods. It is time that that was tackled.

Mr. Nick Brown: As the hon. Gentleman knows, I have written to every local authority in England about those matters, in respect of pigs and pork products and, separately, in respect of beef. The Agriculture Ministers in the territorial Departments are writing in similar fashion. It is not right to say that the legislation requires local authorities always to purchase the cheapest. Best value is about more than just price.

Mr. Heath: I am grateful to the Minister for highlighting what I know he has already done. However, there is a basic difficulty. Best value is not simply a matter of price, but it requires a set of specifications to be issued

[Mr. Heath]

in advance to which many contracts are linked. It requires authorities to work constantly through a third party over which it has no direct control. There are distinct obstacles to local authorities taking decisions in the interests of their community and local producers. His exhortation is welcome and helpful, but there is still a legislative problem.

Dr. Alan Whitehead (Southampton, Test): Does the hon. Gentleman know that the forthcoming local government legislation proposes to give local authorities a power of economic, social and environmental competence for their areas? If that is added to best value, many of his points about local authority action may no longer be an issue.

Mr. Heath: I am happy to recognise that point, but I will be even happier when it has been tested in court that the general competence to act is matched by a competence within a specific spending bracket that allows local authorities to do as they would wish. I suspect that there is still a problem in that local authorities will be open to challenge under the competitiveness clauses of previous legislation. Unless there is amendment to that in the Bill, as I hope that there will be, there will still be a problem. Perhaps if there is no such amendment, we should try to insert one.

I would have liked changes to the corporate structure to encourage the development of co-operatives and vertical integration in industries of the sort that, tragically, we did not see with Milk Marque, as a result of the intervention of the Department of Trade and Industry. Such changes would help to ensure a more constructive attitude to making rural businesses work, and work better.

The sad truth is that none of those things is in the Queen's Speech. There are plenty of measures, but few will impact directly on country areas, and even fewer on the rural economy. I hope that the new Cabinet Committee on rural affairs will produce something substantive so that the next Queen's Speech will contain measures to help the real economy in rural areas. The trouble is that in a year's time, it will be too late for many agricultural businesses, for many businesses that derive their income from agriculture and for many general businesses that will see the agricultural crisis coming home to roost in many of the rural areas that Opposition Members represent.

4.36 pm

Mrs. Helen Brinton (Peterborough): I am grateful to be able to speak in this fascinating and important debate. I believe that in the Queen's Speech we saw, for the first time, a Government saying three cheers for the environment. We should definitely value that.

I particularly welcome two announcements in the Queen's Speech. First, there is the long but eagerly awaited transport Bill, which I hope will include everything that was in the excellent White Paper last summer. I must mention the extremely welcome inclusion of pilots for home zones, which were the subject of my first ten-minute Bill. The Department headed by my right hon. Friend the Deputy Prime Minister has proved most accommodating about that small package of measures, which were approved by Members of all parties, apart from the right hon. Member for Wokingham (Mr. Redwood). He tried to rubbish them by saying that they concerned only kicking balls through windows and damaging the dahlias. That shows why he sits on the Opposition Benches while the Deputy Prime Minister sits on the Government side.

Those measures were designed to reverse priority from the motor car to the pedestrian in designated areas, with all sorts of beneficial knock-on effects for residents and the community as a whole. That is not surprising when one considers the larger picture on which the Deputy Prime Minister's Department has been working. It is no less than an attempt to reverse the damage done to our communities by the huge growth in road transport and the decimation of our public transport under far too many years of Conservative Government.

The Conservatives still prefer to be seen as the friend of that mythical beast, the motorist, as my hon. Friend the Member for Reading, East (Jane Griffiths) eloquently pointed out. They talk as if this creature, the so-called motorist, was not also a responsible member of society—perhaps a parent, at times a pedestrian or even a Member of Parliament.

I did not know whether to be amazed, saddened or amused by the suggestion of the right hon. Member for Wokingham earlier this year that traffic speeds should be increased rather than decreased. How out of touch with popular opinion can he be? The common sense revolution? I think not. That is of course why he is in opposition while the Deputy Prime Minister is in government.

Many pioneering measures have already been taken by local councils, so much so that pedestrianised town centres seem to be becoming to be accepted as the sensible norm. Slower speeds in residential areas have already increased pedestrian safety. I am delighted that the new Bill will include measures radically to reduce road congestion and pollution, and will underpin a truly integrated transport strategy which will benefit both town and country residents.

My second great welcome is for the proposed countryside amenities and conservation Bill which the Minister for the Environment, my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher), did so much to advance. The subject of new Government action to protect our best wildlife sites has been debated many times in both Houses and received unprecedented support from Members of all parties since it was first raised so well by my hon. Friend the Member for Brighton, Pavilion (Mr. Lepper) last November in his excellent early-day motion. That shows that EDMs can and do work.

We do not know all the details at present, but the Bill's aims are clear: to increase protection for our wildlife, particularly that in sites of special scientific interest, and to provide greater public access to the countryside, particularly on foot. There are to be measures to prevent damage, increased penalties for those who cause it, and increased agency powers to prosecute for wildlife species offences. As with all major Bills, the devil may well be in the detail. There will be lengthy debate, in which I hope to participate both in the House and in Committee.

At this point I wish to flag up one concern and that is that there should be sufficient resources to underpin these new measures and, in particular, positive environmental

management. Yes, there is a need for tougher penalties and enforcement powers, but that is only for the minority of offenders. We all know that the majority of damage is caused either by neglect by landowners who will not or, more often, cannot maintain their sites, or by modern agribusiness practices which are supported and, indeed, favoured, by current subsidies. It will be no surprise to the House to hear that I am talking about the pernicious common agricultural policy which benefits a small minority of our richer farmers in the south and east.

Many farmers are desperately eager to adopt more environmentally friendly farming methods. The demand for organic food, as the Minister of Agriculture, Fisheries and Food, my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), knows, has grown enormously but, scandalously, 70 per cent. of United Kingdom consumption must be imported. Many farmers are eager to subscribe to environmentally friendly support packages, such as countryside stewardship—I think that is what it is called—but there are simply not enough resources to meet demand.

I understand that shortly there will be a good opportunity to revise the CAP. I hope that the Government will take advantage of it and act to the advantage of our wildlife and of those who are best placed to steward or act as guardians of the sites in a way that is sustainable and is a positive contribution to the local rural economies where such sites are. I am concerned about wildlife protection, but that is because I am concerned about the environment more generally. That means being concerned for those who are best placed to be stewards or guardians of the environment—our farmers.

Finally, I hope that after much entertaining and positive debate, by this time next year we shall have on the statute book legislation that is truly comprehensive. There is unlikely to be another such major opportunity in the foreseeable future, so we must get it right. Indeed, we will get it right.

4.44 pm

Mrs. Ann Cryer (Keighley): I should like to give a cautious but warm welcome to the aspects of the Queen's Speech for debate today. First, however, I pay tribute to our two new colleagues, my hon. Friends the Members for Hamilton, South (Mr. Tynan) and for Wigan (Mr. Turner). Their maiden speeches were superb and I thoroughly enjoyed them. It is a bonus that we have an additional two regional accents in this place as they are becoming a rarity.

Earlier in the debate Conservative Members kept dwelling on the subject of the Greater London council and I am not sure why. As I remember it, the GLC was created by the 1970-74 Conservative Government along with the metropolitan county councils, of which one was my own—West Yorkshire. That Government made sure that they brought into those counties the leafier areas around our cities to ensure that at last they could control the areas which contained our major cities. It did not work, so in true democratic style Mrs. Thatcher gave them the chop. They were all brought to a sudden, shuddering end. I am sorry about that as I rather miss our county councils.

I should also like to pick up on comments made by other Members about the farming community. My constituency is a strange mix of town and country. Hundreds of small hill farmers are having an extremely difficult time. I am well aware of their plight and from time to time I write to the Minister of Agriculture, Fisheries and Food, my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), and I hope that he can do even more than he already has done to help them.

I should like to dwell largely on the proposed railway Bill. Following the dreadful Ladbroke Grove crash, there has been an amazing change in the public's perception of public ownership. An element of public ownership in Railtrack assets would have wide support. The support would be forthcoming as there is now genuine anxiety throughout the country about conflicts of interest between the duty to shareholders to provide profits and the duty of care to the travelling public to provide an extremely safe method of travel. However, that is not where we are at today. Today, we are proposing a transport Bill which will have as its main objective the establishment of the Strategic Rail Authority which will be part of a national integrated transport system. The SRA, through its regulatory and franchising roles, will, we hope, have the ability, with the help of the railway inspectorate, to provide a safe environment for rail travellers. I understand that the SRA will have duties to promote rail use, plan strategic development of the network and promote integration between different modes of transport, all of which are needed and which are welcome.

One of the recommendations of the Select Committee on the Environment, Transport and Regional Affairs when it examined the draft railway Bill was that the SRA should be permitted to dispose of property only when it had consulted all interested parties through an established procedure and was satisfied that it no longer had any potential for railway-related development. It should particularly consider whether the land might be used for the development of rail freight or integrated transport facilities, such as car parks or bus stations. The Select Committee also recommended that the SRA should enjoy a first option to buy any land which Railtrack wishes to sell where it believes that the land may be needed for future operational railway purposes. Those are sound recommendations, particularly given the growth in rail use by passengers and freight, and I trust that they will be incorporated into the part of the Bill concerned with establishing the SRA.

I am proud to report to hon. Members that I am now the elected president of the Keighley and Worth Valley Railway Preservation Society. I should also declare a minor financial interest, and unlike the right hon. Member for Wokingham (Mr. Redwood) I am happy to give details without being prompted to do so. I own five £10 shares in the Keighley and Worth Valley Railway Company Ltd. It is a non-profit-making company set up to operate legally the light railway.

The Select Committee recommended that, with the exception of lines which are used predominantly as a means of public transport, heritage railways should be excluded from the provisions of the Bill. I trust that that will be so under the transport Bill. In evidence to the Environment, Transport and Regional Affairs Committee, the Heritage Railway Association said that its principal concern was to prevent inadvertent inclusion of preserved railways within the scope of general legislation.

Public transport must be cheap, reliable and safe if we are to move people and freight from cars and lorries to buses and passenger and freight trains. If the transport

[Mrs. Ann Cryer]

Bill is to be socially inclusive, it must also enable my constituents, especially those in the two wards of my constituency that are among the most deprived in the country, to travel cheaply and safely, enabling them to visit sports events, sports facilities and relatives in other towns and to take advantage of the wonderful range of museums and art galleries that we in west Yorkshire have in abundance. The elderly and disabled should also be empowered to enjoy those excellent facilities.

In Keighley, we have our Star buses, which kneel, allowing older people and sufferers from arthritis to enter the bus even when weighed down by shopping. In west Yorkshire, our pensioners have various cheap off-peak travel schemes which are not enjoyed by pensioners in north Yorkshire. I should like the transport Bill to extend those advantages to all areas, so that pensioners can enjoy cheap off-peak travel wherever they live in the United Kingdom, regardless of local authority area.

Women, especially those with young children, are another group that was badly let down by the previous Government in their rush to deregulate bus services and privatise the rail network. Women often do not have the use of a car; therefore, decent, affordable public transport can make all the difference in the world to the quality of their life. Specifically for them, safety must extend to rail and bus stations and the surrounding areas.

Improved lighting helps to give confidence. Many of my rail journeys end late at night at Shipley railway station, in the constituency of my hon. Friend the Member for Shipley (Mr. Leslie). When my fellow passengers have been collected by cars, I am frequently left alone to wait for a taxi, or to walk up to the rank in the town centre. Due to the isolated nature of the station and the low level of light, I frequently find that experience daunting; I cannot be alone in that.

A further nettle that must be grasped by the SRA is regulation of the railway operating companies that will compel them, without arguments, to strengthen trains at busy times. Of course, packed trains create high profits. Too often, on the Airedale and Wharfedale lines—both largely in my constituency—Northern Spirit fails to add units when it could plan ahead to take account of commuter rush hours or connections with well used trains from or to London. West Yorkshire passenger transport executive has brought pressure to bear on Northern Spirit to end such practices.

Many of us could give a very long list of moans about things that are going wrong with public transport in our area, but most of us confine our complaints to correspondence with the operating companies, as in our view our role is that not only of a defender of the rights of travellers but as an advocate of public transport, so we try to encourage its use. Commuters will not gladly opt for the rail alternative to their car if they run the risk of sardine-like conditions and cancellations, which exacerbate overcrowding and can mean a late start to the working day or a meeting missed.

On the more controversial issue of the part-privatisation of National Air Traffic Services, we are told that there will be a separation of service provision from safety regulation, which is welcome. My problem is that I regard air traffic control as entirely about safety—it is its reason to be—and I have difficulty in understanding how the separation can work. However, as always, I am anxious to hear the arguments that will doubtless be made in the debate on the transport Bill.

I understand that NATS is well equipped, that investment has not been lacking, and that the situation in the most congested UK air space—the south east—compares favourably with similar areas throughout Europe. Having had three especially bad experiences in the summer involving Brussels airport, I am well aware of what and how things can go wrong when—I am only guessing—equipment and staffing levels cannot cope. On each of my Brussels experiences, we were told that two of the three runways were closed due to turbulence over the airport. Closing two of three runways is a radical and unusual remedy. As a delegate to the Council of Europe and a seasoned traveller, I hope, by way of enlightened self-interest, that my right hon. Friend will get that part of the Bill right.

The Conservatives, with help from their friends in the media, keep suggesting that the Government are at war with the motorist. There is nothing in the outline of the Government's legislative proposals to back up that view by any stretch of the imagination. The motorists known to Conservative Members must be extreme fundamentalists if they consider themselves to be under attack by the Government. They presumably want new motorways until the UK is covered in concrete, believe that side streets are not appropriate places for children to play and think that damage to the environment is not their problem. I have yet to meet such a fundamentalist motorist. The motorists who write and talk to me are not a race apart, they are the same as the rest of us. They have children or grandchildren suffering from asthma, they are concerned about global warming and the future of planet earth and they would prefer not to be motorists if alternatives were in place. I hope and trust that, for all our sakes, the Government's transport legislation will ensure that the alterative of cheap, safe and reliable public transport will be put in place sooner rather than later.

4.56 pm

Mr. Owen Paterson (North Shropshire): I apologise to you, Mr. Deputy Speaker, and to Madam Speaker and the House for having absented myself for a little more than an hour and a half in the middle of the debate. I warned Madam Speaker that I had a long-arranged meeting with two gentlemen, one from Somerset and one from Yorkshire. I am grateful for being called.

It is a great pleasure to follow the hon. Members for Peterborough (Mrs. Brinton) and for Keighley (Mrs. Cryer). I entirely endorse the complimentary comments of the hon. Member for Keighley on her new colleague, the hon. Member for Wigan (Mr. Turner), who made a fine maiden speech. I came in during the middle of it. I also endorse the comment of my hon. Friend the Member for West Dorset (Mr. Letwin) that it was a fine speech, but I did not agree with much of it, so I am sure that the hon. Gentleman is destined for a long and successful career on the Labour Benches.

Yesterday I was in the Gallery watching the Queen deliver her speech. I was shocked that what turns out to be the first page of the speech was entirely devoted to propaganda promoting the supposed achievements of the Government. It would have shown a bit more balance if the Queen had been allowed to state that many of the

economic benefits that the Government claim for themselves were put into effect by 18 long, hard years of horrible decisions taken by the previous Conservative Government. It was not right that the dignity of the Queen should have been somewhat bruised by having to make such a propaganda statement. Labour is spending £1,000 million more on government than the Conservatives did. The Government have plenty of press officers, some of whom are now national figures, and they appear to have a camp-bed fixed in the "Today" programme studio. They have plenty of ways to get their message across.

It was appalling that the Queen had to read out a split infinitive, yet she told us:

"Education remains my Government's number one priority."

All those people beavering away in the Cabinet Office could have got their grammar right.

The comment about education comes pretty sore to those of us from Shropshire. Last week, my hon. Friend the Member for Ludlow (Mr. Gill) successfully winkled out of the Secretary of State for Education and Employment the fact that there is a huge disparity in education funding across the country. The average rate per pupil for primary schools in Shropshire is £2,220, against £3,396 in Southwark. Average spending on secondary pupils in Shropshire is £2,837, against £4,377 in Southwark. I offer my heartiest congratulations to all those working in the education services in Shropshire for coming up with such sterling results, given the extraordinary disparity in funding. I shall come back later to the underfunding of rural services and the aggressive switch from rural areas to the inner cities.

I should have liked a commitment in the Queen's Speech to reduce the burden on schools. I visited a comprehensive recently where the headmaster was facing 29 different directives. He said that it was impossible to do justice to more than half a dozen. We want fewer burdens on schools and greater freedom.

I should also like to state my total hostility to the planned introduction of the so-called modernisation project into utility regulation. The process of privatisation should have led to the release from Government interference and into the free market of industries that had for many years been stifled by state control and Government underfunding.

Let us consider telecommunications. The Labour party said that it was absolutely impossible to privatise British Telecom which, as we all remember, gave a rotten service, with public telephones not working and the installation of a new line taking three weeks. All that has changed. There has been a dramatic increase in telecommunications usage, and more people are employed in the telecommunications industry than were employed prior to privatisation. The last thing we want is renationalisation by the back door through the imposition of a regulatory regime.

I am delighted to see that the Minister for Housing and Planning is now in the Chamber, having escaped from the campaign of the right hon. Member for Holborn and St. Pancras (Mr. Dobson)—

The Minister for Housing and Planning (Mr. Nick Raynsford): I have been here longer than the hon. Gentleman.

Mr. Paterson: The Minister's comment is invidious. I apologised to the Speaker in writing before the debate and I confirmed at the start of my speech that I had had to attend a meeting.

I should like to draw the Minister's attention to page 57 of the document "A Fair Deal for Consumers", in which the Government announce their intention of appointing

"a single cross-utilities panel of perhaps 8-12 members with broad-based expertise amongst its membership in the water, telecommunications, gas and electricity industries."

Why? The lesson of privatisation is that free markets work. They drive down prices, drive up quality and give choice to the consumer. They should be free of Government interference and subject to less regulation. I can see no advantage in having a cross-utility body, given that the only experience the utilities have in common is that of being under state control for years. They used to cost taxpayers £50 million a week in subsidy, but now contribute £50 million a week to the Exchequer in taxation.

On the main theme of the debate—transport and country matters—we in Shropshire are not well served by rail services in that there is only one direct link to London each day. Recently, I have held talks with the two main train companies serving the area—Virgin Trains and Central Trains—and Railtrack. There is to be a spectacular increase in investment—for example, Virgin Trains is to invest £1 billion in new tilting trains to Wolverhampton—so I have been trying to secure co-ordination with Central Trains and Railtrack to upgrade the track to Shrewsbury and further into Shropshire.

It is clear from those discussions that there is a new spirit among railway operators. They will have to live or die by what they provide—Virgin Trains will receive no Government subsidy this year. I hold no brief for the operators, but I am impressed by the way in which they are investing and coping with the enormous jump in demand for their services—the latest figures show an increase of 15 or 16 per cent. They are terrified that the new entrepreneurial spirit and the investment that is being unleashed on our antiquated railway system might be braked, or even stopped, by excessive interference from another regulatory authority.

Nothing in my discussions indicates that the new Strategic Rail Authority will improve services to Shropshire. We are all elected to make the case for our constituents and to approach on their behalf companies that now have market freedom to invest and make their own decisions. I do not want to have to knock on the door of yet another quango, because quangos do not have the habit of serving the customer.

Coming from a rural constituency, I am not happy with the promise to give greater access to the countryside. We already have access to 10,000 miles of footpaths. That is a gross infringement of the principle of private property. The countryside is not a playground for the public. Although the Minister shakes his head, the measure is drafted in that spirit and according to urban thinking. There is no demand in the countryside for greater access. I have received few letters about it, but there is great alarm about the measure's impact. I am delighted that the Minister of Agriculture, Fisheries and Food is present for the debate.

The definition of grasslands, which the measure will cover, must be tightly drawn. The laws of trespass will also have to be redefined. I shall cite the case of a farmer who lives not far from me. A network of footpaths crosses

[Mr. Paterson]

his farm and he has a lot of stock. He found that gates on his land were constantly left open. To prevent that, he put chains and a weight on the gates. A fit person could easily have pushed the gates open, and, if they were not latched, they swung back. A couple of weeks later, the farmer found that someone had removed the chains, the gates were again left open and stock was running down the road. That is a genuine problem when farming incomes are down by 75 per cent. The whim of urban lobbyists, who push the Government hard, will create practical problems for farmers in my area.

Mr. Nick Brown: Agricultural production is exempted from the Bill. The Government believe that rights must be accompanied by responsibilities. That should cover the hon. Gentleman's second point.

Mr. Paterson: I agree with the Minister that rights and responsibilities go together. However, a tragic incident occurred last year when a lady let her dogs loose in a field of cows and she was killed. The Minister may not know that matadors train on cows because their anatomy—I shall not go into too much detail—allows them to turn faster than bulls. It is not necessarily safe to take dogs into a field of cows. The Bill should make provision for controlling dogs. I am glad to see the Minister nodding.

The measure should also provide for compensation because those with shoots on their land and others will suffer loss of income. Land that may look like a playground to urban Ministers is a source of income for many farmers.

Let us consider transport. My constituency includes 98 villages, and 67 per cent. of people in Shropshire drive a private car while 97 per cent. of freight travels in a diesel-powered truck. The Government have done nothing to make movement around Shropshire easier or cheaper. Every business has been penalised and rendered less competitive. That contradicts the second paragraph of the Queen's Speech, which states:

"My Government's aim is to promote fairness and enterprise".

The Government make merry about the fact that the Conservatives introduced the fuel escalator. It was introduced at 3 per cent. when only two other countries in western Europe had lower fuel costs than the United Kingdom. We now have startlingly high fuel costs. A fuel distributor in my constituency produced three fuel tankers during the recess and showed how much diesel £3,750 could buy. The tankers were like the three bears—baby tanker took 5,000 litres in the United Kingdom and middle-sized tanker took 10,000 litres in Spain for the same amount of money, while big tanker took an incredible 16,000 litres in Turkey for the same amount of money. Shropshire's businesses are supposed to compete despite there being such a disparity in fuel costs.

The Government have greatly increased vehicle excise duty, which is £5,750 for a truck of more than 40 tonnes against just over £300 in Portugal and £400 to £500 in France and Spain. I secured an Adjournment debate on that subject this time last year. The Government clearly stated that the swingeing increase in fuel duties was to preserve the environment and to honour the Kyoto demands to reduce 1990 levels of CO_2 by 10 per cent. between 2008 and 2012. I have explained until I am blue in the face that the figures do not add up.

The Library stated that in 1990 this country generated 159 million tonnes of carbon. Road transport contributed 30 million tonnes and goods vehicles contributed 5 million tonnes, or 16 per cent., of that. It is quite inconceivable, even if the fuel escalator works, that the Government will achieve their carbon targets from the road haulage industry. Of course they are not doing so—almost certainly an increased number of loads are being carried, but they are not being carried by British trucks. British companies have three choices: put up prices, close if they cannot do that, or move overseas.

Dr. Whitehead: Has the hon. Gentleman read the Government's consultative document on climate change strategy? It suggests a range of measures, one of which concerns transport. Is he not misleading the House if he pretends that transport is the only issue about which the Government are concerned in respect of climate change?

Mr. Paterson: I certainly did not say that. I said that the justification given in my Adjournment debate last year for putting swingeing extra duties on carbon fuels was the achievement of the Kyoto demand for a reduction in the national quantities of carbon produced. This measure will not achieve any environmental gain at all because the loads have to be carried. As I said earlier, 97 per cent. of the freight in my constituency has to be carried by diesel-powered trucks. If it is not carried by UK-owned trucks, it will be carried by foreign trucks.

It is now worth while to go on a fuel cruise. Special trips are being run from Dover on which tractor units travel on the ferry to France because fuel is nearly half the price there. There is a huge discrepancy, and we can take a French company to illustrate the point. Mr. Petar Cvetkovic, the managing director of Norbert Dentressangle, said:

"Our UK based operations and those of all British hauliers are becoming less and less economic. If the Government continues with its fuel Escalator policy, UK industry will become more and more vulnerable to European competition, placing many UK companies and jobs at risk."

Foreign vehicle trips to the UK have increased by 57 per cent. since 1996, and nearly one in 10 of the heavy trucks on the road is foreign registered and running on cheaper fuel.

The Government are losing out by, I suggest, between £400 million and £500 million per annum in duty. Last week, we heard a woolly statement from the Chancellor to the effect that he will cut the fuel escalator. He needs to slash it, because road haulage is a strategic industry. I warned a year ago that it would be in dire straits if the Government did not take action, and my warning has sadly come true. The president of the Road Haulage Association in Shropshire went bust. Since then, I have received letters throughout the year from desperate hauliers. I repeat that there is no environmental gain from this measure.

We made one gain last week, however, when the Chancellor admitted that the measure has nothing whatever to do with the environment but is purely a means of raising revenue. The revenue is not being spent on our roads: £32 billion is being raised from road users, but only £6 billion is being put back. There is a huge backlog of road repairs—in my county, it represents £94 million—yet every car owner pays, on average, £900 more in tax, or fuel duty and vehicle excise duty, every year.

People in my area do not have a choice. The last thing that they can afford to lose is their car, and the measures to impose congestion charging will have no impact on traffic. My constituency contains 98 dispersed villages and hamlets, so it will never have a comprehensive public transport system. That is not an option—there will never be the funding for it. My constituents will drive from north Shropshire to, for example, Telford or Newcastle-under-Lyme or Wrexham. They will be paying a tax to another local authority, which may spend that money on improving public transport in its area. There will be absolutely no gain for my constituents who drive back into north Shropshire, because the tax will not be levied there.

I should be grateful if the Minister would tell me the solution to that problem for those who will drive every day from an area with no congestion charging to their place of work in an area with congestion charging. They will have to travel or risk losing their jobs. They will have to make that journey and park the car, because there is no alternative, but the tax that they are handing over, when they are already being crushed by a £900 a year burden in other duties, will be of no benefit to them. That is a fundamental flaw in the Government's proposals.

Mr. Nick Brown: Let me answer that point now. Presumably, if the fruits of congestion charging are applied to the easing of congestion, the hon. Gentleman's constituents will be the beneficiaries.

Mr. Paterson: That is exactly my point. The congestion will not be diminished because people have to drive into that town to get to their place of work. There is a ring of factories all around Telford.

Mr. Brown: Presumably, other people will not have to drive there.

Mr. Paterson: I suggest that the majority will still go to those factories by car because there will not be a comprehensive bus or minirail system. That will not happen in a widely dispersed rural area.

The Government's policy is all stick; there is no carrot. There is a case for road pricing—the way we distribute the use of the asset of our roads is entirely Stalinist. It is the last great element of the British economy run like Gosplan. Once we have paid our vehicle excise duty and insurance and filled up the car with petrol, any of us can go on the roads at any time. There is no marginal cost. We just get hit behind the neck with the wet sandbag of a queue. That is how the market takes effect.

The Government's proposals contain no hint of a recognition that there is a case for a carrot. In rural areas, people could be released from the burden of vehicle excise duty, so long as they did not move out of their drive-to-work area. If they wanted to drive into Birmingham, I could see a sharp case for increasing the cost of access to the road. *[Interruption.]* The Minister seems to agree.

There are cases in the United States where such a scheme has worked. The experiment in Leicester led to charges of £10 before people moved on to public transport. In the area around Puget Sound in north-west America, where about 3 million people live, the drive-to-work rush hour has been stretched by about four hours by staggered road charging. The same is true of the 805 freeway in San Diego, where at certain times of the day the charge is 25 cents a mile and, as traffic builds up, it increases to $4. That is a much more intelligent way of using a pricing mechanism—giving a bonus to those who drive at unfashionable times of day and penalising those who drive at busier times of day. What the Government are proposing is crass. It is a crude tax on those who use cars, and it will not reduce congestion.

Mr. Raynsford: It will.

Mr. Paterson: The Minister may nod, but there is no evidence that such a car charge will reduce congestion in an area like mine.

As for the countryside in general and the kind of area in which I live, I find it incredible that the Government intend to fiddle around with the means of delivering local government, when easily the biggest problem facing rural areas is the massive shift of central Government funds from rural areas to urban areas—£500 million during this Parliament. In my constituency, there is not a single public service that depends on public funds that is adequately funded for the current population.

There was a march in Whitchurch on Saturday, which I led, in support of the fire service, which is the most underfunded in the UK. It must overspend its standard spending assessment by 46.7 per cent. That is ridiculous. The fire authority in Shropshire gets £8 million from central Government, compared with £22 million in Staffordshire and £22 million in Cheshire. The reason is that the formula for the distribution of central Government funds takes no account of the sparse population of Shropshire.

Mr. Raynsford: Will the hon. Gentleman reflect on who devised the formula that he criticises?

Mr. Paterson: That is my next point. The Home Office launched an inquiry with independent consultants to examine the cost of delivering police services in a sparsely populated rural area. It is obvious that there are more police stations and more radio masts, and that communications are difficult. The result showed clearly that, in sparsely populated areas, there was an increase in the cost of delivering that service. I have a letter from the chairman of the West Mercia police authority, who states:

"In essence therefore the independent study confirms that rural forces have been underfunded for five years, and the study further exemplifies that West Mercia would benefit by £2.3m (or 2.1 per cent.) if the revised sparsity factor was implemented."

But what do the Government do? They shelve the report. However, underfunding is causing a crisis.

The Minister for Local Government and the Regions promised Shropshire county council that it would have a three-year run and that it could plan ahead with an increase in its SSA of 6.1 per cent. We have heard that that will be cut to 5.4 per cent. Will the Minister confirm whether that is true? If it is, it will knock £1 million straight out of Shropshire's budget.

In addition, there is an amazing proposal to build 36,000 new houses in a county where every publicly funded service is stretched. The Queen's Speech states:

"A Bill will be brought forward to reform local government to make it more innovative and accountable."

[Mr. Paterson]

Who is responsible for the plan to impose 36,000 houses on Shropshire? My hon. Friend the Member for Ludlow and I do not want it; the democratically elected county council does not want it; and the district councils are horrified because they will have to find sites for houses and roads. The very best estimate is that in Shropshire probably 45 per cent. of the sites will be brown field, so there is not a prayer of our getting near the Government's 60 per cent. target of building on brownfield sites.

The obvious disaster is environmental. The Queen's Speech contains a commitment on sites of special scientific interest. What will be the impact on congestion and traffic of building 36,000 houses for 100,000 people? We all want indigenous growth, and Shropshire has twice the fastest rate of growth in the west midlands, but the best estimate based on that growth is that we require 18,000 houses.

I raised that point in an intervention on the Deputy Prime Minister, but will the Minister tell me what mechanisms the people of Shropshire can use to stand up against that proposal? What is his reaction to the notion of holding a local referendum on this issue, which crosses all party boundaries? The proposal has nothing to do with accountability; it will be imposed by central planning in Birmingham.

I am aware that other Members wish to speak, but I want to mention the largest hole in the Queen's Speech—the astonishing lack of a reference to agriculture. Given that agricultural incomes are down 75 per cent., it is incredible that there is no mention of what the Government will do about it. There are things that they can do.

My hon. Friend the Member for North Wiltshire (Mr. Gray) mentioned the pig industry. Why on earth does this country have higher welfare standards than any other in Europe? The *Farmers Guardian* reported that 80 per cent. of Dutch pig farmers do not respect the welfare standards in Holland that are much slacker than here. Why do the Government not propose something in respect of labelling so that the British consumer has a choice of which pork products to buy?

The Government have made complete nonsense of their negotiations on the dairy industry, giving Ireland a huge increase in its milk quota at a time when milk prices in this country are already depressed. The Secretary of State for Trade and Industry made the extraordinary decision to ban Milk Marque from going into processing unless it was broken up.

I am delighted that the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food has just arrived in the Chamber, because I want to ask a question. Milk Marque's share of raw milk production has fallen to 38 per cent. The threshold in Europe for a monopoly is 40 per cent., and in the United Kingdom it is 25 per cent. Therefore, why has Express Glanbia, with 30 per cent. of the liquid milk market, and Wiseman's, with 85 per cent. of the Scottish liquid milk market, not been sent for inquiry?

The biggest problem with the milk industry at present is the suspension of the calf scheme. We thought that we had a token opening of the beef market and, in theory, with that lost the necessity for a calf scheme. The real horror is that we do not have an opening of the beef market, but we have the ending of the calf scheme. Calf production is currently at its peak, with 600,000 calves being produced between now and the spring. However, I have received absolutely no sensible response from the Government to my letters.

Baroness Hayman suggested in another place that dairy farmers in north Shropshire should produce cross-bred calves. That is a ludicrous suggestion when they are trying to produce quality dairy cows, half of which inevitably will be bull calves. There has to be a solution to the problem, for economic and straightforward humanitarian reasons.

I am most surprised that there was nothing in the Queen's Speech recognising the huge imposition of regulatory costs, and particularly those on abattoirs. There have been more friendly noises from the Government about an appeal mechanism and a review. There must be an independent authority to which those who are penalised by the Meat Hygiene Service or, in future, the Food Standards Agency, can appeal, and there must be an independent report on the activities of those agencies at the end of the year.

All in all, I am definitely not an enthusiast for the Queen's Speech. There are extraordinary holes in it, and major problems for the countryside are not addressed. Those issues that are mentioned are meant to pander to the urban lobby.

5.25 pm

Mr. Jonathan Shaw (Chatham and Aylesford): I offer my congratulations to my two hon. Friends who made their maiden speeches today and who are no longer in their seats. Unfortunately I was not in the Chamber to listen to my hon. Friend the Member for Hamilton, South (Mr. Tynan), but I was present to hear my hon. Friend the Member for Wigan (Mr. Turner), who made a terrific speech. He made heart-rending remarks about our late colleague, Roger Stott, and no one could doubt his passion for his constituency.

I shall concentrate on the modernisation of local government and the plans in the Queen's Speech to change voting procedures and introduce flexibility. I have been a local government worker and served on a local authority and I have many friends and family members who work in local government, so I have no doubt that local government needs to change. However, we need to remember the great debt owed to local government workers who provide essential services to our local community. Too often, they are easily denigrated and criticised. It is my experience that the overwhelming majority of local government workers are greatly committed to the public services that they provide. Ever increasing demands are made on them by both political parties when in government.

The day-to-day pressures faced by local government workers mean that it is not always easy for them to embrace change positively. Several years ago, I was a child protection worker, which involved knocking on doors, after calls had been made, investigating whether children had been abused. Those situations were often very dangerous, and one knocked on a door without knowing what was behind it.

Against that background, it is difficult to be enthusiastic about bureaucratic structures and changes—they are the last thing on one's mind. One cannot be blamed for just

wanting to get on with one's job. That is the same for teachers, planners, housing officers, those responsible for empty housing—my hon. Friend the Minister for Housing and Planning knows that that issue is close to my heart—and many others. As we introduce change, therefore, it is vital that we be a little more understanding and be seen to be listening. If we are to make those changes successfully, we need to bring local government workers with us. Local councils will then be more popular with the communities whom they serve and will be more responsive to them. That is exactly what the Government want; indeed, it is what I want.

There are three, or possibly four, alternatives for structural change, but I think that most councils, particularly district councils, will opt for a leader with a cabinet. Many councils made an early change to that model. My local authority, the Tory-controlled Kent county council, adopted that model and Labour-controlled district councils have done so too. We hear criticisms from Conservative Members, but Conservative-led councils have already embraced that new system. That model is my preference, and it legitimises what has already been happening for several years, in that senior council members effectively form the executive. What is important is that the change will make them more accountable.

I have served on local authorities for many years and I have sat on too many unnecessary committees, providing little opportunity for councillors, particularly back benchers, seriously to question the chairs of committees or departmental directors. It can be disappointing for someone elected to a local authority, brimming with enthusiasm to serve one's ward and council, to be marooned on the public conveniences sub-committee.

Research shows that the majority of councillors retiring at the last local elections were overwhelmingly young and had served only one term of office. People want to serve their wards and use their knowledge base to represent the people who elected them. Many such councillors have partners or families and they attend scores of committees, leaving them little time to get out and about in the wards to try to understand their constituents' problems; so it is little wonder that they become frustrated with their often limited role.

If that role is to be enhanced within the new structures, it is essential that scrutiny committees have the necessary resources, as Select Committees here do. Council members will then be able to develop real interests and pursue matters. For example, a local authority back bencher might be interested in special needs education. At the moment, there may be little opportunity to debate that issue on the education committee, and because there is little time to get out and about in the wards to understand the issue, it will receive little scrutiny in the chamber.

The new structures offer back benchers the opportunity to get out and about in their wards, to talk to parents and to people in schools, and to really get into a subject such as special educational needs. They will then have the opportunity in a scrutiny committee to put the director and the chair of the education committee through their paces for a couple of hours. In that way they will be able to discover whether the policy matches up to what is happening in the wards. That will stimulate public interest and local councils and it will be far better for local democracy. The new system will also be far more attractive to the opposition if they can question the chair of education at a two-hour public hearing rather than under one small committee item.

The new proposals will provide better opportunities for all parties and individuals and for local community groups. If they know that the particular issue in which they are interested—whether it relates to disabilities, social services or transport—will be the subject of a two or three-hour scrutiny committee, information can be provided in the same way as it is provided to a Select Committee. Press releases can inform people of what will be discussed, and that will create a more accountable local council than the present often, though not always, clapped-out structure.

I also welcome the more direct consultation to which councils will have to have regard. There will be a direct impact on staff and we need to ensure that staff have proper training and are made aware of good practice. This is where beacon status plays an important role. Consultation must mean far more than sending out a leaflet with a box to tick.

I recommend that Front-Bench colleagues look at an exemplary model of good practice and consultation in my constituency—the Snodland partnership. Snodland is a community of 10,000 people in my constituency. We heard Conservative Members rightly trumpeting their areas for having one third of the pig production in the country. In this area of my constituency, we have 10 per cent. of the UK's paper and board manufacturing—some 1.4 million tonnes. Snodland's industries are mainly paper and cement.

The Snodland partnership has brought together the town council—a Labour council—the borough council and local industries, and £500,000 was put in the pot. The partnership involved the community, which was consulted time and time again. All the people in the town—young and old—were consulted before works began. They knew what was to happen and were asked what they wanted.

Within a year, we have gained a refurbished high street and a clinic providing advice for teenagers—there is concern about the number of pregnancies in the community. There is a roller-blade park, a community minibus and a millennium museum, which I had the honour of opening a few weeks ago.

Out of the partnership has arisen a chamber of commerce, which—with local schools—organised the first "Snodland in Bloom". I presented the certificates, which I was pleased to do. All the pictures were put in the library, and I asked whether parents were coming in to look at the pictures. The librarian said yes and that, as a consequence, children were joining the library. There is the benefit of community involvement—a small thing like that can make a real difference to the community. I congratulate all involved, particularly Snodland town council, and those in Tonbridge and Malling.

I welcome the creation of more flexibility for people to vote. We all—irrespective of political parties—lament low turnouts. Local councillors who have worked hard for their areas can sometimes muster only 15 or 16 per cent, and that is lamentable. However, I am unconvinced that annual elections will increase turnouts. The evidence from the House of Commons research paper shows that there is little difference in turnouts between annual elections and all up in four years.

[Mr. Jonathan Shaw]

If the third up every year proposal is an attempt to address councils about which the Government are concerned—where there may be a one-party state—it will not do the trick. At the moment, local councils should decide how often they hold elections. There is a danger with the third up every year system in terms of councils with no overall political control, and where there is seemingly no end to that. In such councils, there is drift, and all concerned have one eye on the election. I can think of councils in Kent where there has never been agreement between the political parties about an agenda for the next four years. There is continual infighting and, year on year, everyone has their eye on the election. There is no leadership, and local communities suffer.

Rolling registers, voting at any polling station and voting by post have been suggested. The Milton Keynes referendum is an excellent example of a turnout in the region of 50 per cent. If we can galvanise public interest, turnout will increase.

Turnout does not always work to our advantage. My namesake, John Shaw, who was leader of Medway council for many years, lost his seat in 1987. The turnout was higher than usual because it was the day of the general election. He was having a miserable time, as many Labour councillors in the south-east did that night. All night he had canvassed with his team without finding a single Labour vote. He came across a group of houses where he had helped the residents enormously. With confidence, a spring in his step and a poster in his hand, he knocked on the door. The response was, "Councillor Shaw, delighted to see you. We cannot speak highly enough of you. You've done so much for this local community that everyone thinks you're wonderful. What you haven't done for this family isn't worth writing about. But it's time for a change."

It is time to change local government, so I welcome the Queen's Speech. The legislation will rejuvenate what is sometimes rather tired out. There are many committed people working in local government and we need to give them a far more modern structure in which to do their work.

5.41 pm

Mr. Crispin Blunt (Reigate): I apologise for my absence during part of the debate. I was with the Defence Committee at an informal session with General Sir Michael Jackson, as part of the beginning of our inquiry into Kosovo.

I commend the hon. Member for Hamilton, South (Mr. Tynan) on his maiden speech. I am afraid that I missed the speech of the hon. Member for Wigan (Mr. Turner) but, like everyone in the House, I mourn the passing of Roger Stott, not least because I hope to inherit his duties as treasurer of the Lords and Commons cricket club. I suspect that there may not be too many candidates in that election. I only hope that I can bowl half as well as he did.

I share some of the sentiments of the hon. Member for Chatham and Aylesford (Mr. Shaw), especially about the public service performed by local government officers. I take my hat off to him for his work as a child protection officer. All those involved in such duties do an immensely difficult job and he is right to say that we owe them a debt of thanks. I do not agree, however, that there is a need for yet more change in local government. The hon. Gentleman supports a Government who have become expert in reforming bureaucratic structures and imposing new ones.

I warmly welcomed the Deputy Prime Minister's remarks about the need to protect the quality of life of the citizens whom we all represent. There are great challenges to that quality of life in my constituency and in many others in the south-east. When I was first adopted as the prospective parliamentary candidate for Reigate, it was my perception that the key question for the constituency would be the environment, and how we are to protect and sustain it for future generations.

The central and most important issue is housing. We are now faced with the appalling prospect of another 1.1 million houses in the south-east by 2016, of which Reigate's share would be 10,000. Even on the Serplan figures, Reigate would have to put up with 6,000 more houses. We are already part of the way through the previous part of this exercise, which began in 1991 when the numbers were laid down.

Happily, the area along the southern boundary of my constituency is all green belt, but all the green fields are now part of something called the Horley masterplan and the farms will be built on right up to the limit of the green belt. Unsurprisingly, the people who live in the area are deeply unimpressed.

This question is of central importance. I agree with the article in *The Independent* today, which says that the Deputy Prime Minister's decision about the Crow report and the regional planning guidance as a whole for south-east England

"may be the most fateful decision ever taken about the English landscape."

I agree with the Council for the Protection of Rural England, when it refers to a nightmare future of sprawling development, traffic congestion and urban decay. I agree with the chairman of the environmental services committee of my county council, who describes the plans as "sheer madness". I also agree with the chairman of Buckinghamshire county council that the plans "beggar belief".

We face hideous congestion. My hon. Friend the Member for Mid-Sussex (Mr. Soames) referred to "carmageddon", and the word sums up the position. The widening of the M25 has only just been completed, under plans from the previous Government. These days, as soon as the M25 gets snarled up, my constituency knows all about it. The A25 is packed solid; anyone who travels down Reigate hill regularly will understand the problem.

A large proportion of my constituents commute to London by train. We know that the rail network needs investment—in its capability, quality and capacity. Not least, it needs to be made easier for people to use. Ideas such as creating greater car parking at key transport nodes, such as the railway stations in my constituency and elsewhere, are vital.

There are other environmental threats to my constituency. The prospect of a second runway at Gatwick airport was formally outlawed under an agreement between Gatwick and the local authority. However, the Government's suspension of planning permission for Crawley to build houses under what might conceivably be

the flight path over a second runway gives us great cause for concern that the Government may overturn the legal agreement between Gatwick and its neighbours. I warn the Government that if they do that, there will be enormous opposition from everyone living there. It is enough that Gatwick's capacity will increase from 28 million to 40 million passengers a year. To believe that that part of the world can cope with 80 million passengers a year is to live in cloud cuckoo land.

My constituency is faced with the prospect of a plant making energy from waste being built next door to a landfill site. That will give Redhill the huge privilege of dealing with all Surrey's domestic waste. That environmental issue has certainly excited the concern of the people whom I represent.

I receive endless letters about the masts put up by the new telecommunications networks. This is an issue concerning the quality of life—the visual environment is being affected by such things ending up all over the place. People feel that they have no control or influence over the planning process—when plans for the masts arrive, they are objected to, almost nothing happens, and up they go. Imagine my delight, therefore, when the Deputy Prime Minister made quality of life his central theme. The three central measures that the right hon. Gentleman outlined at the beginning of his speech—as in the Queen's Speech—were the modernisation of local government and of the public transport system and the provision of access to the countryside.

Let us consider modernising local government. The local government organisations and standards Bill is about structure; it is about offering more options regarding the style of local government that my constituents will enjoy. It will provide a directly elected mayor, a cabinet system with a leader, or directly elected mayors with council managers, and future models will allow the Secretary of State to add to that list.

I say to the Government, "Enough. We have all done it—Conservative and Labour Governments alike." Every time we think there is a problem with local government, we tear it up, peer at the roots and then replant it in a slightly different way. The previous Conservative Government were as responsible for doing that as the Labour Government are now. It is about time we tried to make the system that we have work better. We in this House are vested with our people's sovereignty; this is a representative democracy, and power and responsibility stop here.

It is up to us to hold the Government to account, but we are in danger of not applying the same principle to local authorities. People understand that they are represented locally by their councillors. It should be up to councils and councillors to choose how to organise their affairs, and we should devolve power to them. Councillors should decide whether they want an elected mayor. The principles that we apply to the House of Commons should apply to local councils so that people may hold councillors directly to account. We should not try to impose yet another new management system from the centre. Let us be serious about devolving authority.

Government has become hideously complex. Even as a professional politician, I find it difficult to grasp the variety of agencies responsible for carrying out functions for my constituents. The quangocracy has gone mad, and there are chairmen of a vast number of authorities. The hon. Member for Chatham and Aylesford (Mr. Shaw) is nodding at that—like many Members, he appreciates how difficult it is to nail down who is responsible when something goes wrong, or even right. It is hard to find out who we may wish to influence on particular decisions.

Let me give an example of why, in the interests of our quality of life, we must devolve authority to local government. A tidal wave of houses threatens my constituency and 116 more in the south-east. Local people should be able to choose between economic growth and quality of life. They are in the best position to make those judgments. If they want more jobs and more wealth generation, they will choose a relaxed planning system that will encourage businesses. If, alternatively, they feel that they will be overwhelmed, they will be more restrictive. The power should lie with them.

As regards the Government's approach to the modernisation of the public transport system, I am astonished by the lessons that they seem to have drawn from the experience of the past 18 years. They say that the Conservatives spent £70 billion on roads, but that congestion increased from 70 cars per mile to 100. They seem to have drawn the conclusion that they do not need to spend money as it clearly does not solve the problem. If we had not spent that money, however, the problem would be infinitely worse. The Government's conclusion is completely wrong.

In my constituency, for example, the M23-A23 interchange is hopelessly inadequate. It dropped off the roads programme some time during the Conservative period in office, but all that we want is a small road at the junction so that people do not have to make a highly dangerous U-turn. Officers from the Highways Agency have visited the local authority to discuss the scheme, but the agency has only £3 million to spend on schemes for the whole of the south of England. It is hardly surprising that our scheme never got near completion. There is simply not enough money in the roads programme, and someone will die as a result.

A further quality of life issue relating to roads is noise, which intrudes greatly into people's lives. A section of the M25 runs past some of my constituents' homes. It has been expanded, but expanded in concrete. Local people are desperate for a tarmac surface that would improve their quality of life by reducing the constant noise from the motorway. Again, there is no money.

As president of Reigate and Redhill rail users association—a wise post to hold given the number of commuters in my constituency—I have found that the privatised rail companies make serious efforts to listen to representations by me and other rail users' representatives.

Part of the problem that I now see with the Strategic Rail Authority is that the confusion of responsibilities will grow—confusion between the Government, who have significant powers to direct the authority, the authority itself, and the rail companies. It is bad enough at the moment trying to get Railtrack and the operating companies to agree which of them is making the noise when noisy trains disturb my constituents.

The operating companies say that the problem is duff railway lines, while Railtrack says that the operating companies are running their trains on square wheels—"flats", as they are known in the trade. I am not in a position to judge, but if one goes on at them long enough,

[Mr. Crispin Blunt]

they can come to an understanding. Railtrack has started to take responsibility, and I am delighted to say that, having been nagged by me, it has finally promised to lay a newer design of line to reduce the noise and improve the quality of life for my constituents who live nearby.

As for access to the countryside, for the time being there is still some countryside in my constituency. On Banstead heath the north downs escarpment is stunningly beautiful, and there is also the farmland south of Reigate. However, if we have to find space for 10,000 more houses, or even the Serplan recommendation of about 6,000, that countryside will disappear. If there is one thing that Professor Crow's report shows he does know about, it is the fact that the 60 per cent. target is unsustainable if all those houses are to be built, and at least half of them will have to go on greenfield sites.

Access to the countryside will not be the answer for my constituents, because they already have access to the beautiful parts of the countryside in the north downs, and the lovely walks on Banstead heath. The question is whether we shall be able to keep any countryside. If not, if my constituents are to have access to any green fields at all, we shall soon have to introduce an "access to people's gardens" Bill. My constituency is about to be swamped with concrete, and I fear that the measures promised in the Queen's Speech will do nothing to save it from that fate.

5.57 pm

Dr. Alan Whitehead (Southampton, Test): I apologise, Mr. Deputy Speaker, for being absent during part of the debate. I was carrying out a long-standing engagement with the Environmental Services Association, about which I shall say more about later. I was delighted to hear in the Queen's Speech of a series of proposed Bills that will have an impact on the environment and the way in which our communities work. The right to roam Bill, the important transport legislation and the new proposals for utilities regulation and water services will all have a substantial impact on quality of life and the way in which our environment works.

The important unifying factor in the implementation and the consequences of the legislation is local government. I am pleased that, although it is late in the debate, we have now discussed at some length the Government's proposals for local government. They are important not only against the background of the measures in the Queen's Speech but because of our past debates on housing, waste management, economic regeneration and the devolution of power. In all those important areas, it is the tier of government represented by local government that will be responsible for ensuring that results of benefit to our people are achieved.

One of the most important successes in terms of environmental action following the Rio summit has been the local action carried out under Agenda 21, which has largely been pushed forward by local authorities, with non-governmental organisations as partners.

The local government Bill mentioned in the Queen's Speech is the second to arise out of the White Paper, and is of central importance, especially in view of the history of local government over the 18 years during which the Conservatives were in power. I find it astonishing that the Conservative party has now declared 1999 to be the year zero. I imagine that anyone who dares mention anything that happened before that date is met with a withering sneer. As far as I know, those in Conservative central office with any knowledge of local government have now been sent to the countryside, where I imagine they will meet leaders of Conservative councils who are enthusiastically implementing the changes that the present Government have made in local government.

The idea that nothing that happened before is pertinent to what the Conservatives are saying now or is of concern to them represents a profound misunderstanding of local government. Over many years the Conservative party lambasted it unmercifully, passed pettifogging legislation to restrict what it could do, and ridiculed it in the newspapers and in the Chamber, with the result that local government became demoralised and the population felt that it could not do its job satisfactorily. Local government became worried about whether it could deliver on many of the services covered by the proposed legislation.

Dr. Julian Lewis: I thank the hon. Gentleman, who is my neighbour, for giving way. Did not one reason why local government had a bad reputation lie in the antics of a man who subsequently became the hon. Member for Brent, East (Mr. Livingstone), when he was in command of local government in London? Is not Labour so traumatised by that memory that the Government are doing everything they can to make sure that the hon. Gentleman never again has another senior local government position?

Dr. Whitehead: I am interested that the hon. Member for New Forest, East (Dr. Lewis) should raise that issue. I find it strange that he confirms again that the previous Government abolished an entire tier of local government simply because they did not like one person. That does not seem to be a responsive attitude towards the future of local government. However, I am delighted that the hon. Gentleman mentioned someone who is standing as mayor of the new London authority, as I wanted to say a word or two about the consequences of ignorance. It seems to me that the Conservative party is profoundly ignorant of the past, the future and the real circumstances of local government and what can best be done to modernise it and make it accountable and in tune with the people.

I was interested to see the document that was recently produced by the right hon. Member for Wokingham (Mr. Redwood) on policies for the environment, town and country. The net policy proposed by the Conservatives is that they would strengthen parish councils. I am not sure how that would work. The document also demonstrates their wish to protect the countryside, but to allow unlimited car access and remove from local authorities any ability to organise local communities in such a way that the car does not destroy the lives of people who live in rural areas.

The ignorance of the Conservative party, however, was best summed up for me today. The hon. Member for New Forest, East will be interested to know that I attended a lunch at which the speaker was Jeffrey Archer, the Conservative candidate for mayor of London. He made a short speech and then offered to take questions. As the lunch had been organised by the Environmental Services Association, one of the questions related to waste management. Mr. Archer was asked whether, if he

became mayor, he would do something about the fact that London's waste is dumped all over various parts of the home counties. I wrote down his reply, which was as follows:

"This is a serious issue. We need dialogue on this. I have already spoken to the leaders of Kent and Surrey county councils and in the next few days I am due to have a meeting with the leaders of Middlesex county council."

[HON. MEMBERS: "Middlesex?"] Yes, Middlesex. Immediately the image came to me of Mr. Archer turning up to a meeting at Middlesex—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I should remind the hon. Gentleman that he is referring to a Member of the other place and should refer to him accordingly.

Dr. Whitehead: I apologise, Mr. Deputy Speaker. I should make it clear that I am referring to Lord Archer of Weston-super-Mare.

When Lord Archer turns up for his meeting at Middlesex county hall just across the river, I fear that he will be somewhat surprised to find that that county council was abolished in the early 1960s. It worries me that a person standing for such high office should know so little of the geography involved.

I agree with my hon. Friend the Member for Chatham and Aylesford (Mr. Shaw) that the local government legislation proposed in the Queen's Speech will give local authorities the opportunity to be in tune with their communities, and to innovate and move forward on their behalf. Legislation already passed on best value will shortly begin to make a substantial change to the way in which local authorities provide services for their communities. It will also mean that those services will develop in partnership with those communities. They will no longer be dominated by brown envelopes, nor subject to the bottom line that is part of a very limited definition of accountancy.

The hon. Member for Reigate (Mr. Blunt) was mistaken in his understanding of the history of local government. A key change proposed in the Queen's Speech will affect the one component of local government that has never changed, even during the long period when the Conservatives were lambasting local authorities. The committee system of local government remains unchanged since Victorian times. Can that system develop the necessary innovation and empathy with local communities, or should another approach be adopted?

I suggest that the idea of local authorities having a leader with a cabinet to replace the interminable procedures involved in a committee system represents a substantial step forward for local understanding and accountability. It is not true that that idea is not popular with local communities, or that it is of no interest to them. I wish to place on record that, in the recent consultation carried out by Southampton city council, more than 7,000 written forms were returned by residents, a majority of whom supported the adoption of a system involving a leader and a cabinet.

Once explained so that people understand that they represent a serious step forward for local government, the proposals are genuinely popular. I therefore commend that element of the Queen's Speech, as it will give new life and powers to local government.

The proposed environmental, social and economic powers for local government will ensure that it will be able to implement the many other proposals in the Queen's Speech. Those measures will make sure that our environment, transport and local communities can move forward with security and safety.

6.8 pm

Mr. Tim Yeo (South Suffolk): This has been a wide-ranging debate, as one would expect given the breadth of issues covered by the Department of the Environment, Transport and the Regions, and by the Ministry of Agriculture, Fisheries and Food. It has been notable for two excellent maiden speeches from the hon. Members for Hamilton, South (Mr. Tynan) and for Wigan (Mr. Turner). Both acquitted themselves with distinction, and I know more about their constituencies than ever before.

Also notable was the speech by my right hon. Friend the Member for Henley (Mr. Heseltine), who is not in the Chamber at present. I am sorry that he does not appear more often in the House. His forthright support for the concept of directly elected mayors made me wonder whether it was too late for him to enter the London race—especially as there is some doubt about whether it is necessary to accept all aspects of party policy to do so.

There have been other high-quality contributions from both sides of the House. I was particularly moved by my hon. Friend the Member for West Dorset (Mr. Letwin), who described the reality facing farmers in his constituency here and now. It was a powerful plea for action, not more words, from the Government. His plea was endorsed by my hon. Friend the Member for Ludlow (Mr. Gill), who also exposed the way in which the Government are depriving rural services in his constituency of funds. My hon. Friend the Member for Vale of York (Miss McIntosh) rightly identified the burden of over-regulation as one of the biggest problems facing farmers.

I intended to refer to the speeches of some six Labour Members, but as they have not returned to the Chamber I will skip that section of my speech. However, I welcome the Minister of Agriculture, Fisheries and Food to the debate. We scheduled agriculture as one of the subjects for today's debate to help him. I wanted to give him a chance to remedy the extraordinary omission that many of my hon. Friends have drawn to the attention of the House—the fact that in one of the longest Queen's Speeches ever, which contains more proposals than the previous Queen's Speeches from this Government, agriculture, which is suffering the worst crisis for a generation, does not even merit a reference.

I welcome my right hon. Friend the Member for Henley back to the Chamber. I am afraid that I have already referred to him, but he will be able to read the reference in *Hansard*. I am sure that he will enjoy it as much as my colleagues did.

Labour said that 1999 was to be the year of delivery. What the Government have done is to deliver many farmers into the hands of regulators, bankers, creditors and even liquidators. This evening, the Minister has a chance to fill that gap in the Queen's Speech, to tell the thousands of farmers what he will do to help and to make it clear that Labour has not simply forgotten them.

The only passage in the Queen's Speech that directly affects agriculture and the countryside is the proposal to introduce the right to roam and overhaul wildlife

[Mr. Tim Yeo]

protection. The only reference in the Prime Minister's speech yesterday was to my comment about illegally fed French livestock, which he seemed to think related to the completely different issue of the French ban on British beef exports. I will deal with both issues later. Whether the right hon. Gentleman is muddled or whether he deliberately plays fast and loose with the truth, the fact is that the more he twists and distorts Tory policy, the more we will tell the truth about Labour policy.

The proposed countryside access and amenities Bill will deal with two completely unconnected themes. The first is wildlife protection. In principle, we support the need to strengthen existing legislation, although we will need to study the detail of the Bill when it is published. The second is the right to roam. We remain worried about the practical consequences of using the law to increase access to land instead of the voluntary approach, which was making such excellent progress. My hon. Friend the Member for Vale of York emphasised the consequences for her constituents. My fear is that many people will simply not understand where the right to roam begins and ends. The consequences for conservation could be damaging.

The fight against rural crime, which has already been hit by the Home Secretary's cuts in the number of police, will be made even harder. Furthermore, an opportunity to streamline the existing cumbersome procedures for altering footpaths is being missed. I hope that the Government will accept amendments to remedy that.

One other issue affects the countryside. My right hon. Friend the Member for Wokingham (Mr. Redwood) exposed the Government's total failure to protect green fields against excessive development. My hon. Friends the Members for North Shropshire (Mr. Paterson) and for Reigate (Mr. Blunt) referred to that problem and to the disastrous impact that it may be having on their constituencies and the regions around them.

That failure was further compounded by a leaked Cabinet Office report—mentioned in the thoughtful speech by my hon. Friend the Member for West Dorset—which recommended that prime agricultural land should no longer be preserved for food production, and that it too should be sold off for development. There could scarcely be a starker warning that this Labour Government do not believe that British agriculture has any long-term future. It would cost the Minister and the taxpayer nothing this evening to give Britain's beleaguered farmers a modest morale boost. Let him say that the idea of flogging off prime agricultural land for development is unequivocally rejected.

Let me turn now directly to agriculture. It is three weeks since the House last debated the subject, and France's illegal ban on imports of British beef remains in force. We keep being told every day that the Government are pursuing the right strategy. Let us review the progress.

It was almost a year ago, on 22 November 1998, that the Minister first told the House that the ban would be lifted. By 17 December, he was able to say when exports would start. He said:

"I anticipate that we will be able to start exporting deboned beef by the spring of next year."—[*Official Report*, 17 December 1998; Vol. 322, c. 1091.]

For anyone who wondered how that great achievement had come about, he was later to say:

"Labour leadership in Europe and our constructive approach towards our European partners has clearly been shown to succeed."—[*Official Report*, 14 July 1999; Vol. 335, c. 405.]

In mid July, the Minister obviously thought that his diplomacy was working because he announced to the House a firm date for resumption of beef exports. Spring was a little late this year, because the date was 1 August. In the four months since then, not a single ounce of beef—not a single kilogram, we might say—has been sold to France and Germany. So defective was his diplomacy that he clearly made his statement in July without checking with France that it agreed. Yet he was on notice that France harboured doubts, because France had abstained on the issue when it was discussed at the Agriculture Council in November 1998.

It is a strange notion of diplomacy that involves not talking to the French Minister. Three weeks ago, as the crisis reached fever pitch, it emerged that the Minister had not even spoken to his French counterpart for more than a week. He told Radio 4 that it would be nonsensical to do so. Perhaps it was just as well, because when he eventually did meet the French Minister two and a half weeks ago, just four days after the European scientific steering committee had unanimously endorsed the safety of British beef, he went to Brussels with all the aces in his hand and still managed to snatch defeat from the jaws of victory. He allowed France to reopen five aspects of the scheme that had already been settled to everyone's satisfaction. He told us that it was only a matter of clarifying a few technicalities and that France would lift its ban on British beef exports by last Thursday. That was a week ago, but that deadline, like every other deadline in this whole story, passed with no lifting of the ban by France and no action by Britain.

On Monday, the Minister told *The Times* that he believed that a solution was very, very close and that the two sides had taken a major step forward. Three days later, the position seems to be unchanged. The fear is now that he is preparing to make more concessions for which there is no scientific, legal or political justification, unless, of course, the Prime Minister has ordered him to go on giving in to France, however outrageous its demands.

The Minister is rather a decent fellow and I like him very much. I have to give him some advice: I do not think that the Prime Minister is any longer on his side. If the Minister allows more conditions to be imposed on the date-based export scheme, which is already so hedged with restrictions that rebuilding exports will inevitably be a long, hard process, and if British beef will be allowed into France only with a special label, his weakness will be exposed still further. At the very time that the row over beef exports has reached its climax, the scandal of contaminated French meat fed on illegal materials has erupted. That scandal is a separate, unrelated issue, but it raises the same principles.

Four weeks ago, the practice of feeding French livestock human sewage and other illegal material was publicised, and the Minister refused to act. Does anyone believe that if a British farmer was caught feeding British animals with illegal materials the Minister would stand at the Dispatch Box and say that no action was needed? The Minister tried to justify his inaction by saying that he was advised that there was no risk to human health. Even that was a misquotation. The actual advice was that there was no immediate risk to human health.

If the Minister is willing to accept that advice when it applies to meat produced in France, why will he not accept the advice of the chief medical officer about meat produced in England? Why at this time of all times, when France is demanding ever more detailed information about British meat, is the Minister so trusting of the French authorities that he has not even obtained their response to the European Commission inspectors' report? Is he afraid to ask for it? I understand that the French sent their answer to the Commission almost three weeks ago. Why has it not been published? If everything in the French cowshed is so tickety-boo, why the secrecy? There is a disgraceful double standard operating here. A Minister who agrees that safe British beef must carry the stigma of a special label before it can go on sale in France while refusing to allow British consumers to know which French meat coming into Britain has been fed with illegal sewage sludge will never enjoy the confidence of British farmers and consumers again.

Finally, on beef, three weeks ago the Minister claimed:

"As for a link between the ban on beef on the bone . . . and the date-based export scheme, no such link exists."

I am sorry that the Minister is catching the habit of the Prime Minister of making statements that are not true. Just six days earlier, the agriculture counsellor at the French Embassy in London wrote to the *Farmers Guardian* making it clear that the British ban on beef on the bone was a reason for the French continued ban on British beef exports.

Mr. Nick Brown: On a point of order, Mr. Deputy Speaker. The hon. Gentleman is saying that I have misled the House, but of course I have done no such thing.

Mr. Deputy Speaker: I hope that we can contain the debate within the normal rules. We do not want excess at this stage.

Mr. Yeo: Let me make it clear that what I said was that the Minister told the House:

"As for a link between the ban on beef on the bone . . . and the date-based export scheme, no such link exists."—[*Official Report*, 28 October 1999; Vol.336, c. 1119.]

If the Minister made any assiduous study of the farming press, he would have seen a letter in *Farmers Guardian* six days earlier in which the agricultural counsellor at the French Embassy made it clear that such a link did exist. Therefore, I believe that the Minister's statement on 28 October in the House was misleading.

Mr. Brown: That cannot be so. For the avoidance of any doubt, the date-based export scheme is for deboned beef only. No beef on the bone can go through that scheme for exports to the European Union. That is a matter of fact, whatever the opinion of others.

Mr. Yeo: I am afraid that it is now all too clear why the French Minister runs rings round the British Minister, day in and day out.

Why will not the Minister ignore the Scottish and Welsh objections? Is not devolution supposed occasionally to involve some differences between what happens in England, in Scotland and in Wales?

Action on beef was not the only absentee from the Queen's Speech. Pig farmers, another casualty of the present Government's failures, were also totally ignored. My hon. Friends, including my hon. Friend the Member for North Shropshire, mentioned their plight several times. A year ago, in an Opposition-inspired debate, I called for action on labelling to end the practice of describing food as British if it was grown abroad and merely processed here. I called for action to stop retailers selling pigmeat produced under conditions illegal in Britain without telling consumers about it. One year ago, I urged Ministers to make sure that the public sector purchased food that was produced to British standards. It took seven months for the Minister to follow that up.

On 1 July he told the House:

"I have on my desk draft letters waiting to go out to the major public authorities—the prisons, the health authorities and local authorities—not via other Departments but directly, urging them to source products of the highest welfare and animal welfare hygiene standards."—[*Official Report*, 1 July 1999; Vol.334, c. 422.]

No doubt, on 1 July, the Minister wanted farmers to believe that those letters would shortly be sent; but if they thought that, they would have been wrong. When I questioned the Minister four months later, on 26 October, he could not give a straight answer, and it transpired, incredibly, that those draft letters had remained unsent. They were sent to the authorities only after I had tabled a parliamentary question at the end of the summer recess, and I have little doubt that they would never have been sent if the Conservative Opposition had not actively pursued the matter on behalf of pig farmers.

In this debate, the Minister was keen enough, in an intervention on the hon. Member for Somerton and Frome (Mr. Heath), to take credit for having sent those letters. When the Minister allowed a misleading impression to be created by his answer on 1 July, it was the action of a weak man who is once again letting down British agriculture.

I turn to one more subject on which the Minister has recently again been vocal—the pesticides tax. On 20 October, the Minister told the House:

"The whole world knows that I am an opponent of a pesticides tax."—[*Official Report*, 20 October 1999; Vol. 336, c. 457.]

Perhaps it was not quite the whole world who knew it, because last week, on 9 November, the Government published a document called the pre-Budget report, which, helpfully, has a section on pesticides. Paragraph 6.108 on page 112 says:

"The Government believes that a tax or charge could be a useful tool . . . in addressing the environmental impacts of pesticides."

As far as I know, the Minister is still a member of the Government, so perhaps this evening he will say whether he agrees with the pre-Budget report. It is, after all, an official document. It is not some crazed spin doctor employed by the Chancellor to rubbish his colleagues, although it may be having that effect. Or perhaps the Minister was hoping to be released from his present job and made one of Labour's numerous candidates for London mayor—a position for which he need not support Government policy anyway. If the Minister does support the Chancellor, will he explain what happened between 20 October and 9 November to produce such a dramatic change of view?

Mr. Letwin: Has my hon. Friend noticed that another Minister may not support the Chancellor? That is the

[Mr. Letwin]

Chancellor, because he totally failed to tell the House anything about that part of the pre-Budget report when he made his statement in the House.

Mr. Yeo: My hon. Friend makes an important point. This seems to be one of those policies that just appear, without any provenance. One might call it a bastard policy—but perhaps that is an unparliamentary word.

Was the Minister simply too weak to win his argument with the Treasury, or did he lack the guts to stand up and defend Government policy? If he fails to defend Government policy in the House, when he is surrounded by numerous supporters, what chance can there be that he will defend British interests in Europe and elsewhere when he is surrounded by other Ministers, championing their national interests?

I am conscious that many other areas of agriculture are causing concern at the moment, but I have tried to focus primarily on the most topical issues. I recognise the urgency of addressing problems of over-regulation—which have been mentioned—including the burgeoning cost of the integrated pollution prevention and control proposals.

I recognise that dairy farmers, like pig farmers, are being forced out of business week by week and month by month. That process has been accelerated by the Government's unjustified refusal to allow Milk Marque to invest in higher value-added products in processing, without first being broken down into smaller and weaker units. The Minister keeps telling us that he wants farmers to co-operate more for the purposes of marketing, but it is the Government in whom he serves who have denied thousands of dairy farmers the chance to do so. Once again, he has placed British dairy farmers at a disadvantage to their continental counterparts, who are able to take part in such vertical integration.

At the common agricultural policy reform talks in March, the Prime Minister failed to stop Ireland—a country already four times self-sufficient in dairy products—from gaining an increase in its milk quota next year while British dairy farmers, who are denied by the quota system the chance to serve their own home market, will be further undercut by cheap imports from the Republic of Ireland.

Let me conclude with three suggestions. As I said at the beginning, I want to be as helpful as possible to the Minister. There are three things that he could announce before 7 o'clock tonight. First, instead of discussing with the French more concessions on the date-based export scheme, which will make it even harder for British beef exports to resume, he should launch a legal action to obtain compensation for British beef farmers for the loss of the exports that they should have been enjoying since 1 August this year.

Secondly, until France has published its answer to the European Commission inspectors' report about contaminated meat and until that answer has been studied by British scientists to their complete satisfaction, the Minister should impose a precautionary ban to halt the sale of potentially contaminated French meat, which is coming into this country. Thirdly—perhaps the easiest and most overdue measure—the Minister should announce tonight that he is lifting the ban on beef on the bone in England.

If the Minister takes those three actions, he will have our full support and will go some way to restoring the damage that has been caused by the failure of the Queen's Speech even to refer to the crisis in agriculture. Without those steps, his credibility will be further damaged. If he fails to act now, instead of finding the solution to farmers' difficulties, he will become part of the problem and I will have to urge the House to oppose the motion.

6.32 pm

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I am slightly disappointed, because the hon. Member for South Suffolk (Mr. Yeo) usually calls for me to resign, and he has not done so. I am not sure whether it is a softening of his attitude or a display of weakness on his part, but it is a disappointment to me, because it does my credibility with my colleagues and with the farming community no end of good when he makes such calls.

First, I refer to the two excellent maiden speeches that we have heard today. My hon. Friend the Member for Hamilton, South (Mr. Tynan) referred to his predecessor and wished him well, as I know that the whole House does, in his new and very important responsibilities. My hon. Friend's maiden speech was a well-judged balance between pride in the history and endeavours of his local community and a careful warning of the problems and challenges that face his constituency on child safety and drugs. He also referred to pensioner incomes and the need to reward people who work hard and want to earn a living and keep more of the income that they earn.

My hon. Friend the Member for Wigan (Mr. Turner) also made an impressive maiden speech. He, too, paid tribute to his predecessor, who was popular across the House. In particular, he paid tribute to Roger's important role in Anglo-Irish relations, for which I know he will be remembered here and in Ireland. My hon. Friend is clearly getting the hang of being a Labour Member of Parliament. He praised Mr. Blair, as Labour Members of Parliament are encouraged to do—[HON. MEMBERS: "Oh!"] I used to be the Chief Whip. It is no use being surprised at that. My hon. Friend praised Mr. Eric Blair—George Orwell—the author perhaps best known for "The Road to Wigan Pier". He is right to remind us of the tremendous local efforts that have been made in Wigan to tackle structural unemployment and to remind us of the importance of access to the countryside, as it is understood by those who work in urban communities and look to the countryside for recreation.

We have had a good and wide-ranging debate. I was particularly struck by the opening speech for the Conservatives by the right hon. Member for Wokingham (Mr. Redwood). He put the ham into the Woking, having seemingly inherited all the jokes that the Leader of the Opposition discarded. He told us that he was brimming with ideas. We paused and a ripple went round the Government Front Bench as we waited to find out what was going to hit us. A quiet came over the whole House and then the right hon. Gentleman wished us a merry Christmas. I do not want to be left out, so I, too, wish everyone a merry Christmas. The right hon. Gentleman went on to describe his Front-Bench team as young and energetic—a controversial description, but the alternative would be to describe them as old and lazy, which is unfair—even I would not call them old.

The right hon. Gentleman lectured us about the downgrading of local democracy—this after a former Conservative Secretary of State for the Environment, the right hon. Member for Henley (Mr. Heseltine), boasted of having abolished the GLC because he did not like the election result. It is not possible to downgrade democracy further than that. Two questions were asked, but the right hon. Member for Wokingham did not feel able to answer them, so, for the sake of accuracy, I shall do so. He was asked who introduced the fuel escalator. The answer is, the Conservatives. Then, he was asked who abolished it. The answer is, the Labour Government.

It came as a revelation to me, but perhaps I do not follow such matters as closely as I should, when the right hon. Gentleman told us of Lord Archer's exciting plan to sell London Underground. He did not say to whom Lord Archer would sell it, even though that is a fair question to ask of matters lying in Lord Archer's hands; nor did the right hon. Gentleman say how much Lord Archer would sell it for, which is an even fairer question. The right hon. Gentleman did not tell us about the impact of the policy on congestion, passenger fares or passenger safety, or what would happen to the pension fund arrangements, a relevant point which was raised by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody).

We heard the right hon. Member for Henley tell the House that the Labour Government had abolished the unelected Tory hereditary peers in an act of political spite. He failed to appreciate the irony of accusing us of acting out of political spite in that respect when he had boasted that the Thatcher Government had abolished the GLC because he did not like the election results. To hold that view is bad enough, to think it all right to state it in public is even worse, and to see nothing wrong with it even now is worse still.

The right hon. Gentleman became extremely upset about the Labour party internal arrangements for choosing candidates for public office—not determining the right to stand for public office, but choosing the Labour party candidate. He banged on for so long that he began to sound like a Labour party activist; for a moment, I thought that he was going to join the party, so great was his desire to participate in the process. Then, I looked across at the ranks of the Conservative parliamentary party and noticed that the more moderate and decent wing of the Conservative party was sitting at one end of the Chamber, on his own, and that the 17 other Conservative Members present were huddled behind the hon. Member for South Suffolk (Mr. Yeo), no doubt in an attempt to bask in the hon. Gentleman's reflected glory and stay as far away from the right hon. Member for Henley as they could while still sitting on the Conservative Benches.

I have a great deal of sympathy with the remarks made by the right hon. Gentleman about local government structures and the way in which the current Government should approach such matters. The speech made by my hon. Friend the Member for Southampton, Test (Dr. Whitehead) was on similar lines. Those important matters are not as party political as some people try to make them: we all want structures that work for local government.

In winding up the debate, it is right that I concentrate on matters directly related to my portfolio. As I have done on many previous occasions, I shall respond specifically to the long list of charges and denunciations thrown at me by the hon. Member for South Suffolk. He always says that he wants to help me, but it never sounds or feels like that. He complains about over-regulation. I am trying to bear down on the regulatory burden in the sector for which I am responsible. We set up working groups to consider priorities that were chosen not only by me, but in consultation with the National Farmers Union.

The hon. Gentleman complains that the Queen's Speech does not provide for more legislation on agriculture. I am trying to deal with the existing burden. A new approach to the industry, not a new Act of Parliament, is needed to tackle the problems in agriculture. Measures will be forthcoming from the Government this year—for example, announcements will be made about the rural development regulation. Although that does not require immediate primary legislation, it is an important mechanism for reshaping our support for agricultural communities and farm businesses.

The mechanism is important because it takes us from a system of price support through a system of compensation payments for price cuts to a system—I hope—that decouples support from production and strips into its component parts the theory of multifunctionality that underpins the common agricultural policy. That means that we will spend more public money on paying—defensibly, I believe—for the goods that we wish to purchase and that less money will underpin production, whether we want the product or not. That is an economically rational way forward that is right for our country, our taxpayers and our consumers, and it is right for our farmers as well. There will be fixed-rate payments, which will remain constant while public goods are purchased. They will not be subject to market fluctuations in the same way as the current CAP regime.

The hon. Gentleman helpfully put to me three ways of avoiding his utter condemnation. His speech contained a full list of complaints, if not the new list, although it did not constitute utter condemnation. He suggested that I could fight for compensation, but that is a matter for the courts. We are considering a private sector trade; it does not take place with the Government. It is for those who suffer losses through the unlawful acts of others to fight to recover them through the courts. People who are unable to demonstrate their loss should be compensated, but that is a matter for the courts, not the Government.

The hon. Member for South Suffolk also invited me to ban other countries' products on no scientific or professional advice whatever, yet we are complaining about the French Government taking exactly such action. It would be grotesquely foolish for me to do for our country exactly what we are attacking the French for doing for theirs. Remember, the other member states of the European Union are on my side in my handling of the dispute. That includes Germany, which is often cited. The difference between Germany and France is that the Germans are trying to lift their ban while the French have suspended their parliamentary procedures for lifting it. The other 13 member states have lifted their bans. The Commission is on our side—so much so that it has commenced infraction proceedings against France. More than that, when I asked the Commission to do so on an expedited timetable, it did exactly that.

Mr. Gill: Can the Minister tell the House whether the report in this morning's news bulletin that Germany has

[Mr. Gill]

decided not to lift the export ban on British beef unless there is country of origin marking is true? If so, what is the Government's reaction?

Mr. Brown: I did not hear that report but I am happy to explain our position on labelling, which has been consistent throughout. Product labelling is a condition of the date-based export scheme. Companies, such as St. Merryn Meats in Cornwall and the Scottish abattoir that has joined the scheme, want to export clearly labelled products. The Scots prefer "Scotch beef" as the designated term on their product. That will be accompanied by the abattoir number, which is traceable throughout the industry. A range of options is open to St. Merryn Meats, including the Meat and Livestock Commission's assured British meats label. Other clear designations are open to the company.

Labelling has two purposes. One is to facilitate consumer choice, and the other is to facilitate traceability within the meat sector. In the discussions, I have always been a staunch advocate of both. Labelling is already a condition of the date-based export scheme, as far as it is within the United Kingdom's competence to enforce it. I am sorry that this is a little arcane, and I know that the hon. Member for Ludlow (Mr. Gill) knows about it, but not every hon. Member does.

Within the European Union, discussions are going on around what are called the beef labelling regulations. The views of the United Kingdom Government and of the German Government are, for all practical purposes, the same. We are supporters of those regulations, and we believe that the product should be labelled and that the consumer should be free to choose.

We intend to sell our product on the basis of its excellence and the powerful public safeguards that make it one of the safest in the world. There is no intention to sell our products by deceit or deception, as is often alleged by our opponents or those who want to make trouble. It is not true, and I am grateful to the hon. Member for Ludlow for giving me the opportunity to correct that misunderstanding.

The hon. Member for South Suffolk asks me to lift the beef on the bone ban. My view is exactly the same as it has been since I received the report of the chief medical officer, stating that I could lift the ban on retail sales and on direct sales through catering outlets. I want to lift the ban. The only constraint on my doing so is whether it will be possible to lift it in an orderly way throughout the United Kingdom, which requires the consent of others.

That is not a recipe for indefinite delay. I said that I hoped to lift the ban before Christmas. That is still my objective. If it is not possible to do so with the consent of others, we will have to consider whether it should be done on a different timetable in different parts of the United Kingdom, but that is not the most desirable way forward, as it is bound to lead to confusion and difficulties in the industry. It would be better to do it together if we can, and it is right to allow a modest delay on our part to try to achieve that outcome.

Mr. Edward Garnier (Harborough): I am grateful to the Minister. Who are those others whose consent he requires?

Mr. Brown: Competence is devolved. The Secretary of State for Northern Ireland is consulted in these arrangements. That was always the case. There is nothing new in that. The powers that were vested in the Secretary of State for Scotland and in the Secretary of State for Wales are now devolved to the Scottish Parliament and the Welsh Assembly. Their chief medical officers are not giving to them the same advice as is being given by the chief medical officer for the United Kingdom.

Liam Donaldson is appointed as the chief medical officer for the United Kingdom, not for England. The advice that he is giving to the United Kingdom Government is not the same as the advice that the advisers to the other authorities are giving them. To reconcile these matters, we are allowing a little time. I hope that we can lift the ban soon. I certainly think that it is right to lift the ban.

Mr. Paterson *rose—*

Mr. Brown: No, I shall make progress. A range of points was put in the debate. I am sure that the interventions are all intended to be helpful, including that of the hon. Member for North Shropshire (Mr. Paterson), but I hope that hon. Members will forgive me. Time is short, so I shall make progress and deal with some of the other matters that were raised.

I return to the alternative policy proposed by the Opposition spokesman, the hon. Member for South Suffolk. I am criticised for discussing these matters with the French, although I do not put to one side any of our rights in law. Indeed, the Commission is taking infraction proceedings against France, after we allowed, as we said we would, days but no more than that to try to get the issues resolved by discussion.

Incidentally, I have not given up hope of getting the issues resolved by dialogue. It is only fair to tell the House that we are very close. For the sake of completeness, I should also tell the House that I have made no concession whatever around the operating arrangements of the date-based export scheme. I could not do that. It would not be right for me even to attempt it, and I would not even attempt it.

Although it applies specifically in our country, the date-based export scheme is the property of the European Union, which decided on the scheme on a recommendation from the Commission at the Council of Ministers last November. It is not up for renegotiation.

Nevertheless, the French have sought other assurances on five points that are in the public domain. None of them are fundamental to the date-based export scheme, except for one area of disagreement, on which we cannot give the French what they seek. We are, however, able to give the French guarantees, and it is right to do so for this reason: we want the French to be our customers. If customers ask for guarantees and we are able to give them those guarantees at no extra cost or compromise to ourselves, surely it is right to do so. We will then be able to achieve what must be our core objective, which is to sell them beef. I want the French people to be customers of British beef. That is the purpose of talking to them, discussing with them and not shouting at them and being high handed, which is the alternative approach that is often urged upon me.

More than that, I am invited to ban French products coming into this country on no scientific or medical basis whatsoever and then defend my subsequent illegal action

in probably the same court that the French would be in defending their illegal action against us if it gets that far. It is not sensible to start a trade war over these issues; it is not even proportionate.

At the beginning of our discussion, some people urged—I notice that they have shut up about it since—that we should use article 36 not as it was intended, but twist it and use it as an excuse. That point is made over and over again and it enters the folklore. So that the whole House can consider the advice that comes to me, I have put it—the best legal advice that is available to me as a Minister—in the Library. Everyone can then consider it. Have the advocates of using article 36 come forward with an alternative opinion? Have they said that the advice that I have received is not well founded in law? No, they have not. They have just moved on and come up with other arguments. Perhaps, if I resigned, the ban would be lifted. Why on earth should the person who is working hard for his country trying to sort the problem out be attacked and criticised?

The problem is not of the United Kingdom's making. Indeed, it is not even of the French Minister's making. I do not believe that the French saw it coming any more than we did. Having got the problem, surely the sensible thing to do is to try to work it out with people who are our friends, neighbours and significant trading partners. We should do that rather than escalate the quarrel and let the fallout land where it will.

There are those who say, "Ah, the French have more to lose than Britain, because they export more food products to us than we export to them." That is a very simplistic way of looking at things. If both sides were willing to accept hundreds of thousands of job losses and the millions of pounds worth of commercial losses that would hit both countries if we followed a trade-war policy and tried to enforce it when much of the trade is through third countries in the complexities of what is a single market, that would be ruinous to both countries. There is no point to that, but that ruinous policy is the official policy of the Conservative party.

Mr. Yeo: The Minister seems to be trying to curry favour with the Prime Minister by following the same example of deliberately distorting the Opposition's position. There are two separate issues. We are dismayed at the fact that the Minister allows the French to continue reopening issues on British beef exports that have been settled to the satisfaction of everyone else.

However, there is a completely separate problem. Contaminated French meat may be coming in and being sold to British consumers without any label drawing attention to its origin. The Minister has the power, under the treaty of Rome, to impose a ban and there would be nothing illegal about that if he were satisfied that there was a risk to health. I accept that there is a dispute about whether there is a risk to health. He has scientific advice, which says that there is not, but other scientists, including some whom the Government have relied on in the past, say that there is. If he were satisfied, as we are, that there is a risk to human health, such a ban would be entirely legal, would be proportionate to the problem and would be targeted specifically at it. The only person who has advocated a trade war is the Minister through his own one-man boycott of French goods.

Mr. Brown: It is true that the Government have scientific advice. They have it from their scientific advisers. We carefully checked the advice through the working arrangements within government that will form the new Food Standards Agency—it is not just a matter for my Department, but for the Department of Health as well—and the scientific advice is clear and firm. Again, so that everyone can see what it is, I have placed that advice in the House of Commons Library. I have other scientific and medical advice, but it originates with the hon. Gentleman.

Each and every one of us can choose from where to take one's advice. Where would hon. Members take their advice from? The Conservative party presided over us getting into this mess in the first place. Under the Conservative Government it was Britain that was isolated in Europe. The Commission thought that we were hardly worth doing business with and despaired of us when it tried to help. Every single country was against us. Just to confirm them in the poor view that they had of us, officials from Britain were sent to frustrate each and every measure under discussion in the EU, even measures that would have been to our advantage had they been carried.

That is the sort of policy that is being urged upon the British Government, and I am saying that it would be better to try something different which might actually work. The one thing that I can demonstrate to the House and to the country is that the disastrous policies followed by the Conservative Government demonstrably did not work and, worse than that, the Conservative party has managed to refine things now to get us into even more trouble than we were in then.

Mr. Paterson *rose—*

Mr. Brown: I have only a few minutes left and I should try to answer some of the points that have been made in the debate.

Let me come straight to some of the complaints made by the hon. Member for Ludlow, although we have had them all before. He referred to the ban on sheep spinal cord. That is an important issue and I make no complaint about his raising it. I am considering the matter, but we have clear advice from SEAC that that is a necessary precautionary measure. The Government collectively think that they cannot go against its advice on the matter, although I want to consider it further.

The hon. Gentleman also asked about the integrated pollution controls, again, perfectly properly. Representations are being made within Government about the charging, but I draw the hon. Gentleman's attention to the fact that existing farmers would not be paying for pigs until 2003 and for poultry until 2004. Before we get there, I hope that I can have some positive and beneficial influence on the charging regime. I am looking hard at those areas that are within my direct competence, including the Meat Hygiene Service, to see what can properly be done on the charging regime, and I hope to have something to say to the House soon. It would be a fair criticism of me—I notice that the hon. Gentleman did not pick on what would be a fair criticism—to say that I should have said something about this already. My response to that is that, while I do not say something about that, the charges remain at the current level rather than being increased, so that at least should be some comfort to the industry.

I was asked about day-old chicks and welfare rules. No welfare rules apply specifically in those circumstances. There are no new rules on day-old chicks, but if the

[Mr. Brown]

hon. Gentleman wants to pursue that further with me by correspondence I shall be happy for him to do so. I regret that I was not in the Chamber when he referred to a letter that he sent me to which he has not had a reply, but if he would let me have a copy of that I shall ensure that he has a reply tout de suite, as we who negotiate with the French say.

The hon. Gentleman and others asked about the pesticides tax. What I said about that is not incompatible with what has been read out. There are advocates of the tax, although I, famously, am not one. The document says "could" not "would", and the Chancellor did not refer to it in his statement earlier. We want a rational way forward on these matters, not the hysteria that comes from the Opposition.

Debate adjourned.—*[Mr. Robert Ainsworth.]*

Debate to be resumed tomorrow.

BUSINESS OF THE HOUSE

Ordered,

That Private Members' Bills shall have precedence over government business on 28th January, 4th and 11th February, 3rd, 10th and 24th March, 7th and 14th April, 5th, 12th and 19th May, 9th June and 21st July 2000.—*[Mr. Robert Ainsworth.]*

SITTINGS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 12 (House not to sit on certain Fridays),

That the House shall not sit on the following Fridays:

3rd, 10th and 17th December 1999 and 14th and 21st January, 18th February, 31st March, 16th and 30th June and 14th July 2000.—*[Mr. Robert Ainsworth.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the motions relating to delegated legislation.

Ordered,

NATIONAL INSTITUTE FOR CLINICAL EXCELLENCE

That the National Institute for Clinical Excellence (Amendment) Regulations 1999 (S.I., 1999, No. 2218) be referred to a Standing Committee on Delegated Legislation.

That the National Institute for Clinical Excellence (Establishment and Constitution) Amendment Order 1999 (S.I., 1999, No. 2219) be referred to a Standing Committee on Delegated Legislation.

AIR NAVIGATION

That the Air Navigation (Fifth Amendment) Order 1999 (S.I., 1999, No. 2059) be referred to a Standing Committee on Delegated Legislation.—*[Mr. Robert Ainsworth.]*

EU Structural Funds

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

7 pm

Mr. James Cran (Beverley and Holderness): Having asked for this debate, I am well aware that every Member of Parliament, local authority and regional development agency will be making representations to the Government about the exclusion of this, that or the next area for the purposes of European funding. Normally, I would not wish to raise this issue in the House. However, I am moved to do so because a considerable wrong is being perpetrated by the Government through the exclusion from objective 2 funding of Withernsea and Hornsea in east Yorkshire.

The hon. Member for Brigg and Goole (Mr. Cawsey) and I have been co-operating on a non-partisan basis on the issue. I entirely support what he is saying about Goole and he supports what I am saying about Withernsea and Hornsea, simply because they mirror the same circumstances. All we wish is that they be judged on the facts. One is moved to say that, on the basis of the decision taken to exclude those three towns from objective 2 funding, someone somewhere just has not looked at the facts. I wish to outline some of those facts this evening.

The background has surprised me, in the sense that the whole of the Yorkshire coast was put forward for designation, and a map was prepared by the Department of Trade and Industry. I realise that that map, which was prepared in the summer, probably has no status. Nevertheless, the map indicated that the whole of the Yorkshire coast would be proposed and, we hoped, included for objective 2 funding.

Imagine our astonishment when the Government's proposals, which hopefully are not set in concrete, were published. Lo and behold, the Yorkshire coast was, by and large, included, but there were one or two quite artificial blips that excluded Hornsea and Withernsea. I am concerned, the hon. Member for Brigg and Goole is concerned and everyone else is concerned.

The European Commission has indicated to me and to the local authority that it has concerns over the exclusions. It is doubtful whether the Minister or the Government have heard that officially—I understand that. If the Government do not change their mind, the Commission will hopefully make its views known about this matter in the fullness of time.

The regional development agency—a Government creation with which I have to work and about which I have no complaint—has expressed its disappointment. The Minister will be perfectly well aware what the RDA has said in Yorkshire. If she is not, I will provide the letter.

The RDA is concerned, if for no other reason than that its economic strategy for 2000–06 identifies as one of the region's great weaknesses what it calls the "peripherality"—I word that I would not use myself—of the East Riding coastal areas. That is merely a recognition that these coastal areas—as is doubtless the case around most of the coast of this country—are in some difficulty, due mainly to the decline of the traditional holiday market.

Why am I—along with many other people and organisations—concerned about the exclusion? The decisions that have been taken and published are entirely illogical. The Minister will be well aware that Withernsea has an unemployment problem because of the decline in fishing and the traditional seaside holiday trade. In April 1999, unemployment in Withernsea stood at 15 per cent., while the average for Yorkshire and Humberside was less than 6 per cent and for the United Kingdom less than 5 per cent. There is clearly a problem by that measure alone.

There is no doubt, by the Government's own standards, that the town exhibits acute economic and social deprivation. The Government's index of local deprivation shows incontrovertibly that the two Withernsea wards are among the 20 per cent. most deprived wards in the whole country, and there is a ward in Brigg and Goole that is worse even than that.

There is a case to answer that the Government have demonstrably not yet answered, especially when we consider the astonishing fact that the two Withernsea wards are more deprived than any of the 51 wards that the Government proposed for objective 2 status in the north Yorkshire districts of Craven, Hambleton, Harrogate, Richmond and Ryedale. I do not challenge the hon. Members whose constituencies are involved, as they will obviously fight for their constituents, but the Minister must explain why more affluent wards are included for European funding while demonstrably less affluent ones are excluded.

The Government, the European authorities and everyone else have recognised Withernsea's problems in the past. It qualified for rural development grants, regional selective assistance, employment action zones and a health action zone. I pay tribute to the Government for listening, after an enormous amount of lobbying from me and others, and giving the town a single regeneration budget grant. I am grateful for that, but I fear that its exclusion from European funds may make that an extremely pyrrhic victory.

European funding is essential to match domestic funding. Without the European funding, the SRB grant is almost worthless. I am sure that that was not the Government's original intention. I was grateful to be invited by the hon. Member for Brigg and Goole to a meeting with the Minister for Trade, who said that he understood the problems and might be willing to consider them. I hope that the Government are so willing.

The other coastal towns with SRB funding—Scarborough, Filey and Bridlington—have been included in the Government's proposals. Why has not Withernsea? The town has not gone to sleep. There are a lot of hard-working people there who need a little help and a bit of wind in their sails. There is an active partnership and people are looking for regeneration solutions; in my opinion, they have found them. If they are excluded, I fear that considerable damage will be done to those people's confidence. The *Holderness Gazette* said yesterday that if we do not receive the funding, we shall be back to raising money through tombolas, raffles and coffee mornings. I regret that that is true.

I fear that Hornsea may simply become another Withernsea, another declining former seaside holiday town with no great future. Hornsea has not yet declined as far, but I fear that it will. It suffers all the same problems—lack of access, lack of transport and lack of employment opportunities following the loss of fishing and traditional seaside holiday jobs. The town has been recognised in the past for all sorts of funding, and one must ask why it has not been so recognised this time. Any funding from any source will require matched funding. Without European funding, there probably will not be enough money for the town.

Hornsea has an active regeneration organisation that needs some support. I agree with Mr. W. E. Underwood, the president of the Let's Go Hornsea regeneration group, who wrote:

> "There has been and still is great concern that promises of regeneration in the town have been left in abeyance due to lack of funding. Our plans for the regeneration of the Town Centre"—

he lists a series of projects that could have been funded—are simply awaiting funding. He goes on:

> "These Schemes are not just improvement schemes, they are essential to the whole Social and Economic structure of Hornsea and its surrounding villages. Without some assistance now we are heading for real problems."

I agree wholeheartedly with Mr. Underwood. I fear that if Hornsea's potential problems are not recognised, it will go the way of Withernsea.

I should like to offer the Minister a possible solution. She may already have seen it for herself, but I should be glad to make all the necessary information available to her. Mr. Alan Menzies, head of economic development for East Riding council, wrote to the regional director of the Government office for the regions for Yorkshire and the Humber on 17 November. The crux of his letter was the population criteria that the Government must meet.

The current populations of wards in Yorkshire and Humberside are lower than shown in the figures used by the Government in their submission to the European Commission. The Government used figures from the 1991 census. Recently published evidence from the university of Oxford shows that there was a population decline in many proposed wards from 1991 to 1998. North-east Lincolnshire, Kingston upon Hull and Scarborough have had reductions amounting to 10,277 souls. The Minister will quickly see that if those figures are correct, the two wards in Withernsea and the one in Hornsea could be included without breaching European Commission population ceilings. Outward migration from other parts of the region would almost certainly give her the head room that she needs to include those wards.

I know that I have the support of the hon. Member for Brigg and Goole in asking not for a commitment to include those towns for objective 2 status—although if the Minister is prepared to give one this evening I would be delighted—but that, in the light of the deprivation figures that I have outlined, the Minister should reconsider the decisions that have been taken.

Those decisions are illogical and fly in the face of the facts as we understand them, and are therefore wholly wrong. I hope that the Minister will tell me that she will reconsider a decision that I think would cause the two towns to decline in a manner that none of us would want.

7.15 pm

The Minister for Small Business and E-Commerce (Ms Patricia Hewitt): I begin by congratulating the hon. Member for Beverley and Holderness (Mr. Cran) on securing the debate. I represent a constituency in the east

[Ms Patricia Hewitt]

midlands that includes some extremely deprived and disadvantaged communities. One of my wards is on the index that the hon. Gentleman cited, and is one of the most deprived in the east midlands, so I understand the depth of feeling with which he spoke, and the enormous difficulties faced by people in such communities. I respect the way in which the hon. Gentleman has put his case on behalf of his constituents—a case that my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) has also put to me.

I am grateful to the hon. Member for Beverley and Holderness for recognising the considerable efforts that the Government are making to combat social exclusion, and to invest in disadvantaged areas and in the future of communities that have been left behind by industrial and economic change.

As the hon. Gentleman knows, we submitted our proposals for objective 2 coverage for the years 2000–06 on Friday 8 October, and they are currently being considered by the Commission. Before I deal with the detail of those proposals, and the specific issues that he has raised, it would be helpful if I said a little about the bigger picture.

At the Berlin summit in March, my right hon. Friends the Prime Minister and the Chancellor of the Exchequer secured an outstanding result for this country. The objective 2 aid that we secured will be worth some £2.5 billion over the next seven years, with an additional £0.5 billion for transitional relief. That makes £3 billion for objective 2 alone.

On top of that, we have the £3 billion already announced for our four objective 1 areas. Including the European social fund and objective 3 funding, we have been awarded more than £10 billion in structural funding. Indeed, there is more still to be announced in relation to various community initiatives. That money, rightly, will go to some of the neediest parts of our country and help to ensure that all parts of it benefit from our increased economic prosperity and the growth of the number of people in work.

In such a debate, the fact needs to be registered that, at a time when our economic performance was improving dramatically, the number of people out of work throughout the country was falling rapidly, and our prospects for receiving European Union structural funds were reduced—all factors that might have pointed to a cut in regional aid from the structural funds—we secured a safety net to cushion the reduction in numbers and population coverage proposed by the Commission. We secured more investment—more money from the structural funds than we had had in the past. It is in the context of that extremely good result that this debate takes place.

Within that very good result there are, I am afraid, hard choices to be made. It is of the essence of structural funds and investment in disadvantaged areas that not everybody can qualify. So the regional development agencies, the regional partnerships and the local partnership faced tough choices about the priorities that they put to us, just as we were faced with difficult decisions about the proposals that we put to the Commission.

The hon. Gentleman asked why Withernsea had not been included. As he acknowledged, parts of East Riding will be eligible for tier 2 support. Many rural wards will also be eligible for the new enterprise scheme for small and medium enterprises. As he rightly said, significant funds have been made available through the single regeneration budget to help to tackle the specific problems in Withernsea. With respect, however, it is wrong to discount the impact of single regeneration budget funding, even in the absence of European structural fund money. Three areas in my constituency now benefit from single regeneration budget funding; none of them qualify for objective 2, let alone objective 1 funding from the European Union. There is no doubt that it is possible to secure real and lasting improvements in social and economic regeneration in disadvantaged areas through the single regeneration budget—and indeed through our new deal for communities—without having the additional benefits of objective 2 or objective 1 funding.

Looking at the proposals for Yorkshire and Humberside, we have proposed population coverage of more than 1.5 million people for objective 2 funding. In addition, 1.3 million people in south Yorkshire will be covered by objective 1 funding. That is comparable to the existing coverage of 2.7 million people under objectives 2 and 5b.

To fall within that objective 2 funding, we have proposed the whole of Hull and Richmondshire, parts of Bradford, Leeds, Wakefield, Kirklees, north-east Lincolnshire, the East Riding, Craven, Hambleton, Harrogate, Ryedale and Scarborough. North Lincolnshire will also receive transitional funding.

The difficulty is deciding in great detail which areas are included and which are not, within the overall population ceiling. I shall return to the statistics on population coverage in just a moment.

Under the new European regulation, objective 2 funding is divided between four strands: industrial, rural, urban and fisheries. The Commission has given us guidance on the indicative breakdown for each strand. We had to secure a fair and balanced distribution across the regions and across the different strands. At an earlier stage in the regional discussions, there was a suggestion that Withernsea should be included within the fisheries strand as part of a bigger area; but after regional discussions, it was not included in the fisheries strand covering the specific coastal areas to which the hon. Gentleman referred.

We also had to look at the index of local deprivation and the best possible consistent statistical information that we could get across all the proposed areas to help us decide, regionally and nationally, which areas should be put forward. Using the index of local deprivation for the urban strand of objective 2, the criterion is the worst 10 per cent., not the worst 20 per cent.—in other words, some areas are even worse off than Withernsea.

The hon. Gentleman also referred to an earlier map and a leaked document that deals with only one of a series of possible options, and which therefore has no status in the debate. I apologise, but I have not seen the letter to which he referred suggesting that population levels have changed, and that it would be possible to add Withernsea and Goole to our proposals.

The difficulty is that the 1991 wards have been re-rated to take account of 1996 populations. The Commission is working with 1996 data to assess our population ceiling. In any case, we must put forward a case based on data that are consistent across all our objective 2 areas.

To fiddle with the data in one area would not be an acceptable way in which to proceed, and might have interesting consequences for population ceilings in other parts of the country. Although I will double check, I fear that the solution proposed by the hon. Member for Beverley and Holderness will not allow us to proceed in the way he suggested.

We have tried to proceed in line with the consensus that emerged from the public consultation, and with the very strong representations about regional wishes that we have received. Our aim has been to develop broadly ward-based proposals, and they have allowed more accurate targeting of regional priorities than is possible by using data gathered at the level of the local authority district. Because population coverage is reduced from the level set in the last structural fund round, we have to accept that funding must be targeted as specifically as possible on the worst cases of real and identified need.

In the light of the results of the public consultation—and given the regional priorities identified by the regional offices in England and by their counterparts in the Scottish Executive and the Welsh Assembly—we developed criteria based on levels of unemployment, in combination with measures of high dependency on industry or agriculture and of the decline in those sectors. As I have suggested already, we also used an index of local deprivation for the urban strand.

The regional priorities identified by the consultation process gave us far more than could be accommodated in the proposals that we designed to accord with the population ceiling agreed at the summit. To help us find the best possible solutions, in many cases the regions refined those priorities as the proposals developed.

I regret that it has not been possible to include in those proposals Withernsea and the other areas to which the hon. Member for Beverley and Holderness referred. I know that he and my hon. Friend the Member for Brigg and Goole are to meet my right hon. Friend the Minister for Trade, who has direct responsibility for this matter. However, it would be wrong to hold out any great hope of further change. Our proposals were put forward to the Commission at the beginning of October and we cannot amend them now.

We look forward to receiving the Commission's response to our proposals. I have undertaken already to check the specific statistical point raised by the hon. Member for Beverley and Holderness although, as I said, I doubt that the answer that he will get will give him much comfort.

I hope that I have said enough to show, first, that we secured an outstanding result for the United Kingdom in the structural fund package. Secondly, I hope that I have shown that we have secured objective 1 and objective 2 coverage for Yorkshire and Humberside that more than matches the existing population under the equivalent programmes in operation now. In that context, in order to meet the overall population ceiling and to fit inside the four strands that the European Union's new regulation has mandated for the structural funds programme, we have had to make very difficult choices about the specific areas to be covered.

I shall end on a note of hope that echoes what the hon. Member for Beverley and Holderness said about investment from other sources. The Government have programmes that are directed to disadvantaged areas. I am sure that the single regeneration budget will bring hope and a better future to the hon. Gentleman's constituents, in what is a very deprived area.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Seven o'clock.

House of Commons

Friday 19 November 1999

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

ORDERS OF THE DAY

Debate on the Address

[THIRD DAY]

Order read for resuming adjourned debate on Question [17 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.—*[Dr. Jack Cunningham.]*

Question again proposed.

Trade and Industry and Social Security

9.33 am

The Secretary of State for Trade and Industry (Mr. Stephen Byers): The Queen's Speech has one central theme, which is to build a Britain of enterprise and fairness for all our people. That is a theme that reflects the mainstream of British politics.

For generations, the electorate faced an artificial choice—either to support enterprise, be pro-business and encourage wealth, but say and do nothing about social exclusion; or to support a command-and-control economy, and a policy of tax and spend in order to help those in poverty, but at the expense of building a strong economy.

The Queen's Speech shows that we can combine enterprise and fairness, and put behind us the artificial approach which for so long has dogged British politics and the British economy. The Queen's Speech is a radical and reforming programme, containing modernising measures to ensure that we can meet the challenges of the 21st century. However, we will be able to do so only if we maintain economic stability as well as steady growth. That will involve, and already has involved, taking difficult decisions.

We gave independence to the Bank of England over interest rates. That was criticised by some, including the hon. Member for Tiverton and Honiton (Mrs. Browning) who leads for the Conservatives on these matters. As I was flicking through back copies of *The Mid Devon Gazette* the other day, I came across a comment from the hon. Lady that some may find interesting. She stated:

"People should look at the way New Labour is unravelling the British constitution. The first thing it did was to hand over control of interest rates to the Bank of England."

Mrs. Angela Browning (Tiverton and Honiton): I should be grateful if the right hon. Gentleman would complete what I said. I said that Labour gave control to the Bank of England without consulting Parliament. Perhaps he would be genuine enough to quote the full sentence.

Mr. Byers: That did go through Parliament. The extract from *The Mid Devon Gazette* to which I am referring does not go on to state that. Clearly, I am quoting from edited highlights of *The Mid Devon Gazette*.

The real issue is the hon. Lady's views on the matter. Does she believe that the Bank of England should no longer have the independence to establish interest rates? I know that her personal view is that it should not. It would be good if she confirmed that officially to the House today. The fact that she fails to do so speaks for itself.

The Government took the difficult decision to take politics out of the setting of interest rates. We believe that that is the best way to establish a sound economic framework. We combined that with ensuring that we had sound public finances, taking another difficult decision—that, in the first two years of government, we would not increase public spending, but would agree with the spending profile put in place by the previous Government.

As a result of the comprehensive spending review taken through by my right hon. Friend, now the Secretary of State for Social Security, who at the time was the Chief Secretary to the Treasury, we were able to identify funding for our essential programmes, particularly in schools and hospitals. We freed up £40 billion to be spent in education and health—once again, spending that was opposed by the Conservatives. They said at the time that it was reckless, but in reality it was money that the country could afford. The money is now going into our schools and hospitals, and is widely welcomed by parents and patients throughout the country.

The best chance of ensuring that we do not return to the days of boom and bust is to maintain economic stability and steady growth. It is worth reminding ourselves that, less than 10 years ago, we had interest rates at 15 per cent., inflation at 10 per cent. and the national debt doubling. We have put those days behind us and, as a result of the sound economic platform that we established, there is a once-in-a-generation opportunity to make a real difference.

The measures in the Queen's Speech that are sponsored by the Department of Trade and Industry show clearly how we can combine the two themes of enterprise and fairness. Of the 28 Bills contained in the Queen's Speech, seven are from the Department of Trade and Industry. To assist the House, I shall quickly run through those measures.

The first, and perhaps one of the most significant measures, is the Electronic Communications Bill, which was introduced in the House yesterday. Bill Gates called it a model for Europe. The Bill is an important part of the Government's policy to make Britain the best place in the world for electronic business by 2002. The Bill will also underpin the "Modernising Government" agenda by helping to meet the Prime Minister's target of 25 per cent. of Government services being available electronically by 2002, rising to 100 per cent. by 2008.

[Mr. Byers]

The Bill reflects the views expressed by business. We have changed it, and we make no apology for having done so: we said that we would consult and listen, and the result is that we now have a Bill that reflects the changing world of e-commerce. It will introduce a light-touch regime that gives the degree of flexibility needed to enable us to move with the times and adapt to developments in the months and years ahead.

Mr. Ian Taylor (Esher and Walton): I welcome the fact that the right hon. Gentleman has filleted from the previous draft of the Bill various aspects of the statutory trusted third party regime. I have recanted proposals that I made when I was a Minister, when the technology was at an earlier stage of development. However, will the right hon. Gentleman assure the House that, the provisions having been removed from the Bill and the matter left to the industry to sort out, the Home Office will not make an attempt to sidestep that process by inserting a statutory regime in its legislation?

Mr. Byers: I am sure the hon. Gentleman knows from his own experience the importance of refining the Bill to reflect the needs of business. I am not trying to make a cheap point—the hon. Gentleman himself will concede it—but, when I became Secretary of State, I inherited some baggage from his time at the Department. We had to make changes made necessary by the changing nature of the industry, and we were pleased to do so. We introduced a light-touch regime after discussions with Home Office colleagues; they understand the need for such an approach, agree with the line that we have adopted in the Bill, and will not take steps in other legislation that run counter to the direction we have set out. We all realise how important that industry is to British business and the United Kingdom economy in general.

Our second major piece of legislation will be a utilities Bill, which was published in draft form earlier this year. It reflects the fact that water, energy and telecommunications are among the essentials of modern day life. Consumers must have a sufficient supply of such services on fair terms and, wherever possible, from their own choice of supplier. The Bill will demonstrate our commitment to consumers and to competition by giving regulators a new primary duty to protect the consumer interest by promoting effecting competition. We believe that that is the only way in which we can protect consumer interests in the long term. Creating effective competition among utilities is especially important, given that it does not exist at present.

The third Bill is a measure designed to modernise and reform postal services. Earlier this year, we published a White Paper in which we outlined how we could create a world-class postal service network in the UK, one fit for the 21st century. The Bill will deliver on the commitments contained in that document. The Post Office will remain in public ownership but, while it maintains an effective postal service, based on high standards and quality, that meets the social and commercial needs of our country, it will have greater commercial freedom.

We shall introduce a limited liability partnerships Bill to allow firms to incorporate with limited liability while retaining the organisational flexibility of a partnership. The Bill will take account of the changing commercial environment by adding to the choice of business organisation available to all firms. That demonstrates our commitment to maintaining an up-to-date legal framework for business.

We shall also introduce an insolvency Bill that will complement our determination to encourage enterprise. The intentions behind our proposals are twofold: first, to assist the rescue of businesses that are experiencing short-term difficulties but are otherwise viable; and, secondly, to improve the procedure for disqualifying directors who have shown themselves to be unfit to run a company—a matter about which hon. Members on both sides have expressed concern.

We intend to introduce legislation to modernise the way in which Companies House operates. The measure will benefit all those who use the services provided by the Registrar of Companies, companies that have to provide information to the registrar and those who use the information provided by Companies House. That will benefit many small businesses that decide to incorporate. Of the 1.3 million companies registered at Companies House, slightly more than 1 million have fewer than 10 employees, yet our current system is primarily geared to respond to the needs of large, publicly quoted companies, and ignores the needs of small businesses. I hope that the changes that we make at Companies House will help small businesses.

Our final measure will be a nuclear safeguards Bill. The measure is needed to bring into force a new agreement made with the International Atomic Energy Agency and the European Atomic Energy Community. It forms part of an international effort to strengthen nuclear safeguards and is essential to meeting our international obligations.

Mr. John Bercow (Buckingham): Will the right hon. Gentleman reflect on the Government's proposals either for better regulation—which has so far been a failure—or for deregulation? I wrote to him on 20 May seeking a response to the six-point plan contained in my 10-minute Bill presented on 27 April. At the end of June, he replied with an undertaking to implement a measure of sunset regulation, along the lines of the American model, whereby regulations automatically lapse or expire after a given date if they are not deemed worthy of renewal. Will he now tell the House what specific measure he proposes to introduce in fulfilment of that promise?

Mr. Byers: I shall ensure that the hon. Gentleman receives a copy this morning of the Electronic Communications Bill, which is being published today and contains a sunset clause. I thank Opposition Members for their silence.

The Queen's Speech prepares our country for the future and reflects a recognition that a fundamental shift, driven by globalisation, technology, innovation and knowledge, is occurring within our economy and society. In that context, we must be absolutely clear about the role that Government can and should play, especially in trade and industry and support for business. We should promote competitive markets, encourage long-term research and investment and help to equip all our people with the skills that they will need to succeed in a modern economy. I do not believe that my Department needs to go far beyond those essential requirements.

I recognise that, in a modern economy, the main source of value and competitive advantage will be human and intellectual capital. For most of our history, wealth and power have been derived from the control of physical assets—land, raw materials, coal, iron and steel—but, in the next century, they will come from human capital, so investing in knowledge, skills and learning is a key priority for the Government and our country. We were the cradle of the first industrial revolution, which was based on investment in plant and machinery—physical capital. The current revolution will be based on knowledge, which means that the responsibility of both Government and employers must be to invest in human capital—in skills, knowledge and learning.

A range of new policies and approaches is needed if we are to create a more entrepreneurial, knowledge-rich economy. That is the objective that the Government have set for themselves. When we look around the world today, it is clear that its chief characteristic is change. The force of change outside our country is driving the need for change within it. We must ensure that markets work effectively, which means operating a strong, robust competition policy and keeping consumers well informed and confident.

A market left to its own devices cannot educate or equip us for this world of rapid change; that is possible only if we work together. Our objective must be a dynamic, knowledge-based economy, founded on individual empowerment and opportunity, in which Government enable but do not dictate, and the power of the market is harnessed to serve the public interest. The real challenge for Government in the dying days of the 20th century is: how can we prepare Britain for a world in which knowledge will be the new currency?

I know that Conservative Members are obsessed with another currency—they can think of little else—but knowledge is the global currency to which they should give some thought. Successful economies and societies will be those that can adapt to the demands of rapid change, that are flexible and creative and manage change rather than being submerged by it. We want to ensure that change can be seen as a bringer of opportunity, not of threat.

There will be countries that find ways of including all their people, not just the new "knowledge elite". That is the challenge that we face. We need an approach that will be built around a new coalition, but with the historic objectives of the left of centre in politics: to create a better standard of life for our people, to ensure that British business succeeds at home and abroad, and to tackle exploitation in all its forms.

Mr. Geraint Davies (Croydon, Central): My right hon. Friend has spoken of e-commerce, changing technology and human capital. Does he envisage, as I do, a world in which, within the next few years, one in five working days may be spent at home, on a computer? Would not such a development have an enormous impact, decreasing the need for additional transport infrastructure, and radically changing the whole paradigm for the Department of the Environment, Transport and the Regions? Will that not be the effect of our innovations in the spheres of e-commerce and trade and industry?

Will my right hon. Friend work closely with his friends in the DETR to manage those changes? If one day in five is spent at home, presumably one office in five will be empty, and the resulting space could be used for executive homes. The whole situation in British industry, in terms of the efficiency of travel to work and of communication—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. This is a long intervention, even for a Friday.

Mr. Byers: My hon. Friend has, however, made a serious point. Many large multinational companies are now considering the number of places that they will need to provide at their headquarters. The chief executive of a major multinational relocating in central London told me the other day that the company will require all its workers to spend one day a week at home, and that it will consequently need less office space. It is taking financial advantage of that reduction, and is encouraging people not to travel by providing them with all the facilities that they will need in order to keep in touch with the business from home. Such developments will lead to rapid changes in the way in which businesses organise themselves.

As I was saying, we must help British business to succeed at home and abroad, as well as tackling exploitation in all its forms. That approach, which runs throughout the Queen's Speech, recognises that, while the role of Government has changed fundamentally, Government still have a critical part to play in improving the performance of the British economy, and improving life for all our people.

By creating a stable macro-economic environment and ending the cycle of boom and bust, we can ensure that businesses have the confidence to plan for the future. We need them to invest in knowledge, whether through research and development or through training, and to be prepared to take risks in order to stay ahead in fast-moving markets. We can ill afford any delay in that vital investment owing to fears about the economy and its long-term stability.

As the world opens up, British firms will succeed in winning market shares only if they have access to markets, and are capable of competing. Opening up markets will be one of the Government's top priorities. We are driving that forward in the United Kingdom, where there is now full competition in the supply of electricity and gas, but much more needs to be done. Part of it will be achieved by the utilities Bill. Far too few domestic consumers, in particular, are taking advantage of the freedoms that are already available to them: very few, for instance, are changing their gas and electricity suppliers even when to do so would be financially advantageous. I want consumers to think seriously about how they can take advantage of the benefits that have resulted from greater competition in the energy market, and we shall look at how we can help consumers—especially domestic consumers—to do that.

We also need to ensure that the markets in Europe are made fully open, and that we make the single market a reality. I am sure that all hon. Members were concerned to learn yesterday that the French Government do not intend to implement the electricity directive that would have opened up the French electricity market to competition. We strongly believe that open electricity and gas markets are necessary throughout Europe, and that one of the key reforms in Europe will be making the single market a reality. France's failure to implement the directive is disappointing, to say the least.

[Mr. Byers]

EDF, the French state-owned electricity company, is taking advantage of open European markets to establish a powerful position in Europe, but retains a monopoly in its home market. That is clearly unacceptable. We strongly support the infraction proceedings initiated by the European Commission, but we must also consider what further action might be appropriate in relation to the French Government's failure to open up the energy market to full, effective competition.

In just 10 days' time, the World Trade Organisation's ministerial meeting will begin in Seattle. We shall use it as an opportunity to work with others to continue the drive for global free trade and increased liberalisation of goods and services. Within markets, competition will always be the greatest spur for innovation and the provision of genuine consumer choice. Next year will see the start of a new competition regime in the United Kingdom, which will ensure that anti-competitive practices and the abuse of dominant positions can be halted, and punished where appropriate.

We are living in a world of rapid change and, as a result, the nature of work itself is changing. More people work part-time; more people work on a temporary basis, or have fixed-term contracts. Fewer people work on the shop floor, and there has been an explosion of service-based jobs. More people work in small business, and the composition of the work force is changing. More women are working: some 52 per cent. of married women with a child under five now work, more than double the percentage just a generation ago. More families depend on two earners. We have introduced a new settlement for the workplace, based on minimum standards and on fairness rather than favours.

The Conservative party's response to the implementation of our policies has been interesting. The Tories—particularly the hon. Member for Tiverton and Honiton—are still opposed to the national minimum wage. It is unfortunate that her deputy, the hon. Member for Rutland and Melton (Mr. Duncan), is not here today. At our last Question Time, I quoted him saying that the minimum wage was a cretinous idea. He challenged me to spell "cretinous" so I went to the dictionary to ensure that I knew how to spell it. Literacy is fine. It is sums that are my problem, I am afraid.

Mr. Bercow: Labour Members split their infinitives.

Mr. Byers: As I have warned the hon. Gentleman before, if he keeps going on about split infinitives, many Labour Members will happily split his.

The dictionary definition of a cretin is a fool, or stupid person, which is a far more accurate description of the hon. Member for Rutland and Melton than of the minimum wage. We now see that it will benefit well over 1.5 million people and the Conservatives still oppose it.

The Conservatives would scrap the new deal. They say that it has been a failure, but, if we look at the facts and do not rely on prejudice, as some Conservative Members like to do, we will find that 300,000 young people have already been helped through the new deal. Youth unemployment has been cut by half, yet Conservative Members regard that as a failure. Of course they would. In government, they were prepared to allow their economic and social policies to lay a generation of young people to waste.

Mr. Eric Forth (Bromley and Chislehurst): The Secretary of State must stop peddling such nonsense. I invite him to ask his Department to produce some figures about the movement in unemployment throughout all regions and age ranges over the last few years of the previous Administration and extrapolate those forward to now. I think that he will find that there is very little difference between what happened for some years under the previous Administration and what is happening now. The only difference is that he and his colleagues have thrown several billions of taxpayers' money at a problem that did not exist.

Mr. Byers: That is a good example of why we should rely on facts, not prejudice, as the right hon. Gentleman does. I share with him two facts. A total of 700,000 more people are in work than when we took office in May 1997, and youth unemployment has halved since then. That is the reality, but, again, it has been clearly demonstrated that the Conservative party opposes the new deal.

The working families tax credit is another example of how the Conservative party has lost touch with the electorate and has not recognised the lessons of its 1997 election defeat. The credit will make work pay and give parents a real incentive. It will leave 1.5 million families on average £24 a week better off, but it is opposed by the Conservative party.

At the end of July, the fairness at work legislation was put on to the statute book. A settlement based on partnership and minimum standards, it was opposed by the Conservative party. It ensures that part-time workers have the same employment rights as full-time workers and are no longer treated as second-class citizens, but it was opposed by the Conservative party.

We recognise that one of the greatest challenges that faces parents is how to juggle the responsibility of bringing up a family with holding down a job. That is why we have introduced family friendly employment policies, which are, again, opposed by the Conservative party. Next Tuesday, as a result of further implementation of provisions under the working time regulations, we will provide an extra week's paid holiday—from three to four weeks—for all people who are in employment; again, it is opposed by the Conservative party.

There is a genuine issue about regulation and the nature of regulation, but it is important to distinguish between two issues: the cost of red tape and the burden of bureaucracy; and the cost of providing direct benefits to employees. Conservative Members confuse the two. The Labour party is committed to reducing the burden of bureaucracy: to cutting red tape. We recognise that form filling, box ticking and a paper chase run counter to entrepreneurship, a spirit that we seek to foster. That is why we recognise that the legal requirements in many sectors need to be reviewed. We need to look at how regulations are being implemented—one of my first steps on taking office was to lift the burden that was going to be imposed in relation to the national minimum wage.

We have taken through changes on administration and record keeping with regard to the working time directive, which will become effective early in the new year.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Last week, the Prime Minister said that he would look

again at the working time regulations to see whether there was scope for further relaxations on the burden on business that the regulations cause. When will that review take place and what further suggestions will come forward?

Mr. Byers: The hon. Gentleman knows that we have just taken through the House changes to the working time regulations.

Mr. Gibb: They had been agreed.

Mr. Byers: With respect, they had not been agreed. They are changes. They are being implemented; they will be implemented early next year.

Mr. Gibb: Will the Secretary of State give way?

Mr. Byers: No. Let me answer and then I will give way. Hear my answer first.

Changes to the working time regulations will be introduced early next year to lift the requirement in relation to form filling and record-keeping, not diluting people's right to opt out of working more than 48 hours if they do not want to. Therefore, we have introduced those changes.

As Conservative Members will know, some provisions within the working time directive may lead to other groups coming within their remit. We are concerned about those issues and are keeping them under review. For example, earlier this week, the European Parliament voted that, within four years, we need to bring junior hospital doctors within the requirements of the working time directive. We do not agree with that and will argue against that approach, so it is developing. As the Prime Minister says, those are the areas that we are keeping under review.

Mr. Gibb: The Secretary of State referred to the changes that went through the House, but they went through the day before the Prime Minister said that he would look again at further changes to the burdensome regulations, so will the Secretary of State say when the review will take place, or was the Prime Minister referring to changes that had already taken place? That is yet another way in which the Government mislead the country and the House, perhaps inadvertently, but they do so nevertheless. When will the review take place, or was the Prime Minister referring to changes that had gone through the House the day before?

Mr. Byers: If the hon. Gentleman looks at the procedure for the order, he will find that, if it had not completed its progress through Parliament and still had not completed its time in the House of Lords, for example—*[Interruption.]* I have tried to explain. There are two clear issues. First, changes are being introduced to record keeping with regard to the working time directive. Secondly, we are keeping under review other areas that might come within the remit of the directive. That is clearly what is happening. That is the review that we are conducting, and it is totally in line with the Prime Minister's comments. There is a serious point, which Conservative Members do not want to address. It is the way in which they confuse two important issues—the need to lift red tape and the need to cut the burden of bureaucracy on business. We agree that that is what we need to do and we are putting in place procedures and mechanisms to do precisely that.

It is particularly significant that, earlier this week, the Prime Minister announced that my right hon. Friend the Minister for the Cabinet Office will chair a panel that will be able to call Cabinet Ministers to explain what they are doing about lifting the burden of red tape. Conservative Members may smile, but they all know that we are tackling a culture that exists in Whitehall itself. It has affected Governments of all political persuasions.

I was interested to see the comments on regulation and the need to lift burdens on business by the right hon. and learned Member for Rushcliffe (Mr. Clarke), the former Chancellor of the Exchequer, at this year's Tory party conference:

"We kept trying, we never really succeeded".

Therefore, we need at the heart of Government a system that will ensure that politicians take control of that process. The panel will be able to do that throughout Whitehall. The Minister for the Cabinet Office will make a real difference.

Mr. Geraint Davies: I welcome my right hon. Friend's statements about cutting red tape. Does he accept that large companies tend to like regulation because it thwarts the success of smaller companies that try to compete with them? There are several examples of that, which cover food standards agencies, abattoir regulations and even IR35. The Government need to keep an eye on that. Will my right hon. Friend give an assurance that the door is always open for small businesses in every sector of the economy to put their point of view on regulations?

Mr. Byers: My hon. Friend makes an important point. The Small Business Service will play a helpful role in such matters. However, there is a crucial dividing line between the parties on regulation: we believe in cutting red tape; the Conservative party believes in cutting benefits and wages. When the Conservative party refers to the burden on business, it means the burden of paying people a decent minimum wage and providing decent working conditions; it does not mean stopping the paper chase, the form filling and the box ticking, it means doing away with the minimum wage, the working time directive and decent conditions in the workplace.

The Queen's Speech has highlighted the clear political dividing line between the main parties. The Conservatives are, more than ever, a single-issue group, obsessed with Europe and little else, looking back to the past and scared of the future. The Conservative party resists change: it says no to the new deal, the working families tax credit, the national minimum wage, independence of the Bank of England, family friendly employment policies and the working time provisions.

The Queen's Speech outlines the programme of a forward-looking Government, in the mainstream of British politics, which is prepared to modernise and reform, to embrace the new and leave behind the old way of operating, and to bring together enterprise and fairness in the belief that wealth creation and social

[Mr. Byers]

justice are two sides of the same coin. The Queen's Speech is based on those principles, and I commend it to the House.

10.12 am

Mrs. Angela Browning (Tiverton and Honiton): I apologise to the House for not being able to stay until the end of the debate. My hon. Friend the Member for Havant (Mr. Willetts) appeared on "Question Time" last night at a distant destination. He is travelling back this morning and hopes to be with us by 11.30. He conveys his apologies—*[Interruption.]*

Mr. Byers *rose—*

Mrs. Browning: Before Labour Members start making ribald comments, I remind them that I was far more gracious a fortnight ago when a Labour Member decided, for constituency reasons, to leave a debate that the Government had chosen on family friendly policies. Therefore, I hope that Labour Members will moderate their sedentary remarks.

Mr. Byers: Most hon. Members would accept previous constituency engagements, and the priority that they take, as a reason for absence. However, it is an insult to the House when a shadow spokesman puts appearing on a television programme before coming to the House. I am sure that the House is shocked that the hon. Member for Havant (Mr. Willetts) has put an appearance on "Question Time" before the discharge of his shadow responsibilities in the House. That is shameful conduct.

Mr. Deputy Speaker: Order. A fast return to the Queen's Speech is in order.

Mrs. Browning: I am grateful to you, Mr. Deputy Speaker, because the comment that I was about to make might not have been appropriate for the Dispatch Box.

The Secretary of State kindly quoted from *The Mid Devon Gazette*, which is an excellent newspaper that circulates in my constituency. The editor will be pleased if the Secretary of State's comments from the Dispatch Box increase circulation, but if the Secretary of State wants to know what I say and do locally, I have an extremely good website at: www.abrowning.demon.co.uk. [Hon. Members: "Demon!"] Yes, and proud of it.

My local press releases and the full text of the speech from which the Secretary of State began to quote are on the website. I commend the piece from which he quoted because it gives him—and the rest of the world—a short, but concise and accurate summary of the way in which the Government are breaking up the constitution of the United Kingdom. Perhaps the Secretary of State will consider that and visit my website from time to time.

Mr. Keith Simpson (Mid-Norfolk): Dial a demon.

Mrs. Browning: Yes, dial a demon.

As we heard in the Gracious Speech, from the Prime Minister and from the Secretary of State for Trade and Industry this morning, the Government's programme is supposedly based on enterprise and fairness. Such is the Government's success in building an enterprise culture, that, in only two years, this country has slipped from fourth to eighth in the league of world competitiveness. They have imposed £30 billion in stealth taxes on business through, for example, higher fuel duties, stamp duties, changes to the administration of corporation tax and abolishing tax credits on pension funds. Despite the Secretary of State's words about the importance of IT and e-commerce, £500 million extra tax will be imposed on people who work in personal services companies. Through the IR35 regulation, companies in this country that have no reason to source staff who live in the United Kingdom are more likely to seek staff who live abroad and thus beyond the problems that the Government's taxation policies cause.

I and many of my hon. Friends spent many years in business and we admire the way in which the Government have learned the language of business. However, it is clear from their policies that it is not instinctive—indeed, when we examine their track record, we find that their grasp is bogus. I had a little chuckle when the Secretary of State explained the way in which he, the Minister for the Cabinet Office and others will establish a star chamber to wage what the Prime Minister describes as a war on red tape. We understand from the press that the Minister for the Cabinet Office began the process by holding a dinner at Lancaster house for 12 chief executives of companies from the FTSE 100. That flies in the face of the Secretary of State's comments about the importance of small business. The hon. Member for Croydon, Central (Mr. Davies) made an excellent point about the fact that legislation often does not affect—and even suits—large businesses, but has a disproportionate effect on small companies.

If the star chamber begins its work by gathering representatives of companies from the FTSE 100 round a select dinner table, it will not resolve the problem or lift the burden that the Government have imposed on small businesses. The Government have not got a clue. A feel for business, and especially small business, is not instinctive to them. Therefore, they produce a lot of words, set up more regulation task forces, more of this and that, and achieve nothing. What happened to the better regulation task force that Lord Haskins chaired? He simply reminded the Government, after they legislated, that they had made a dog's dinner of implementing regulations.

I do not expect any hope from the Minister for the Cabinet Office who, in a written answer on 11 November, said:

> "The volume and cost of regulation is less important than its quality and effectiveness."—[*Official Report*, 11 November 1999; Vol. 337, c. 825]

There is a case for claiming that simply examining the number of regulations and setting a target for reducing it is not necessarily the most effective way in which to lift the burden on businesses. I say that after spending three years as a Minister under the previous Government, who tried to reduce regulation on business. We would be the first to say that we did not do very well, but at least we examined the problem from the philosophical standpoint of opposition to regulation.

I can remember, for example, revoking 12 licences in a day. I was not flooded out with people saying, "Gosh, that has made a real difference to my life." However, we hoped that it would make a difference and we learned

what the Government have yet to learn: merely considering the number of regulations deals with only the margins of the problem, although that does not mean that our motives were not well intentioned.

Looking at the cost of regulation is a different matter and I am sorry that the Minister for the Cabinet Office dismisses it as unimportant, as she does at column 825 of *Hansard*. Of course it is important, which is why we in the Conservative party have already published in "The Common Sense Revolution" a pledge for the Conservative Government who will take office after the next election: we will carry out an independent audit of every Department to identify the cost of the regulations that each Department puts on business. Having done that, every Secretary of State will be given a target for reducing the costs on business during the lifetime of a Parliament. They will have to report annually to Parliament to show in a transparent way the progress that they are making. When costs on business are reduced, it can feel the burden lifting.

Mr. Andrew Dismore (Hendon): That sounds like more bureaucratic red tape to me.

Mrs. Browning: The hon. Gentleman derides what I am saying, but his is not the party of business—I do not expect it to understand. When costs on business are removed, it starts to feel the weight lifting from its shoulders. If the Government are to make any impact at all on the appalling burden that they have already put on business in just over two years, the Secretary of State will have to do a little better than holding grand dinners in posh surroundings for the top FTSE 100 companies.

Labour, of course, is the problem, not the solution. To realise that, we have only to look at what it has done in terms of the burden placed on business by the cost of employment legislation. The Secretary of State described a range of policies that the Government have already put on a statutory basis, suggesting that we are opposed to them. Within the broad spectrum of family friendly policies, we are not opposed to many of them, but I say again—as we said in Committee and when the legislation was going through the House—that we genuinely believe that they are best left on a voluntary basis and should be agreed by employer and employee. We start to put burdens on business the moment that we put such policies on a statutory basis.

It is all very well for the Government to say to the general public, "We are improving your working conditions." That is fine, but they are doing so by simply dipping their hand into the pocket of business and expecting it to pick up the tab for their proposals.

Mr. Geraint Davies: Does the hon. Lady accept that business wants a low-risk environment of stability and on-going growth? Under the Conservatives, there was record business bankruptcy, and boom and bust rather than business friendliness. Her words about business would be laughed at by the business community.

Mrs. Browning: I spend a lot of time with members of the business community and when I put these proposals to them, not only do they not laugh, but they urge me to do what I can to make the Government see the error of their ways in their treatment of small business. Of course the hon. Gentleman is right—a stable economy is very important—but he will know that we have seen some worrying figures showing a dramatic increase in small business failures during the last quarter. Other statistics show that the taxation burden in this country is accelerating far faster than in other European countries and productivity is down. Under the Government, we have slipped in the competitiveness league. These are early days, but a trend is developing and they should not ignore it.

Mr. Davies *rose—*

Mrs. Browning: I have given way once. I shall give way later if the hon. Gentleman wants to come in.

I want the Secretary of State to be fully aware of exactly what burden he has put on business. For example, the Centre for Policy Studies has calculated the impact on business of certain policies—the annual costs, not one-offs. The working time directive, which was described by Lord Haskins as a dog's dinner, will cost £2.3 billion a year. The rise in the limit for compensation claims in unfair dismissal cases from £12,000 to £50,000 will cost business £2.1 billion. Overall, family friendly measures will cost £50.7 million. The compliance cost alone of the working families tax credit will be £100 million. The compliance cost of administering student loans will be £79 million. The compliance cost of the stakeholder pension scheme will be £5.3 million. If the Government want to introduce stakeholder pensions, I do not understand why, statutorily, they have to be dealt with through the payroll. The total is £4.6 billion a year. That is the cost that the Government have put on to business.

The Institute of Directors has calculated a similar shopping list of costs for Government policies. It is all very well for them to say that their policies are all about fairness and justice for the working population, but they seem to have no strategy other than a dogmatic belief that they should rush to implement not only policies that they outlined before the election, but measures such as the revocation of the social chapter opt-out. They are dogma driven, and only when these measures hit the statute book do they get down to the nitty-gritty of how the regulations have to be applied in the workplace. That is when they suddenly realise the damage that they have done.

It is risible for the Secretary of State to make a virtue of establishing yet another Cabinet-based task force—he can call it whatever he likes—to try to resolve a problem that the Government themselves have created. That problem could have been avoided with a little more forethought, project planning and understanding of how business was likely to be affected by their policies, but they were simply being opportunistic and sought to gain an advantage by telling the general public, "This is what we have done for you in the workplace." They now readily admit that they have to solve the problem, but, because their policies have been put on the statute book, that will be much harder to do.

For example, the Select Committee on Trade and Industry has described the unbusinesslike way in which the Government approach their responsibilities, in particular their responsibilities to small businesses. Its 13th report, of September this year, states:

> "From the situation as we saw it a year ago, where there seemed to be something of a policy vacuum on SMEs, we have moved to one where there is some risk of an excess of loosely connected and apparently uncoordinated policy initiatives shooting off in all directions".

[Mrs. Browning]

We await the Secretary of State's response to the report. There is a lot of criticism of him and his Department, the way in which they manage their own affairs and the way in which they have treated small businesses, and I believe that there is more to come.

The Secretary of State mentioned parental leave and we have seen what the Government have in mind—it is a classic example. They have introduced parental leave and made a virtue of it, and I am quite sure that the Prime Minister will want to take advantage of it fairly soon. We are all rather relieved to think that there will be 13 weeks in the next five years when we shall not see him on the television—I shall not say in the House, because he is rarely here.

A parliamentary Labour party brief on paid parental leave in the name of one Dan Corry, DTI special adviser, has been published. Members of Parliament on both sides of the House have been receiving letters from a range of people and from organisations such as the National Society for the Prevention of Cruelty to Children pointing out that the Government's legislation on parental leave is unfair, although fairness was a word that the Secretary of State used readily when he began his speech. The policy was not of our making, so before any Labour Member leaps up to say, "So what are you going to do about it?", let me say right now that it is not our job to sort the problem out—I had that discussion a fortnight ago.

Here is how the Government see the solution. They advise their MPs to write to their constituents in respect of parental leave and say:

"As employers come to value these benefits they will want to go beyond the statutory visions, possibly including some paid parental leave."

The Government have introduced parental leave in order to be popular, but they expect employers to bear not only the administrative cost. If the opportunity is to be made fair for all—in other words, if the proposal is to apply to people who are perhaps not well off enough to take unpaid parental leave—the burden will be put on employers who are clearly expected to pick up the tab yet again for another Government cock-up.

Mr. Dismore: How does the hon. Lady square her criticism of the Government—for saying that the arrangements should be effectively voluntary for employers—with her earlier comment that parental leave and similar issues should be for employers to address? Has she read the evidence given to the Social Security Committee by the Confederation of British Industry and the Institute of Directors, both of which thought that the matter should be for employers to deal with voluntarily? How does she square the two arguments?

Mrs. Browning: Had the Government not made the provision statutory, all aspects of parental leave—how much, when and how it should be funded—would have been a matter for negotiation between employer and employee. The merit of our proposals is that we would not have statutorily compelled employers to provide parental leave.

The Government have produced a parental leave policy for the few, not the many. The few who will be able to take parental leave are professional people—such as barristers—and others who are much more able to take advantage of the policy than, for example, people on low wages and single parents. Labour Members talk about fairness and justice, but they have enshrined inequality in one of the core policies that they parade as family friendly. The Government's parental leave policy is friendly only to well-off families. They have created a problem, and they will now have to sort it out.

Mr. Geraint Davies: Will the hon. Lady confirm that—should Conservative Members ever again be elected to power—they would abolish the provisions on parental leave? If not, specifically how would they change them?

Mrs. Browning: I have a feeling—but I am not quite sure—that the hon. Gentleman was in the Chamber a few weeks ago for our debate on family friendly policies. As he may not have been here, I shall repeat what I said several times to his colleagues. Conservative Members will examine all the policies introduced by the current Government in the light of how we may want to modify, maintain or abolish them. Those policy decisions will be made in good time for the next general election.

The Secretary of State for Social Security (Mr. Alistair Darling): Don't know.

Mrs. Browning: No. The right hon. Gentleman should be familiar with the procedures by which the shadow Cabinet produces policies, as the Government followed the same procedures when they were in opposition. In "The Common Sense Revolution", we announced various policies that have been agreed. We are currently working on many more policies.

I am dealing with Conservative party policy development—which clearly seems to interest Labour Members. For the benefit of the Secretary of State for Trade and Industry, I should say that my right hon. Friend the shadow Chancellor is currently taking evidence from a wide range of interested parties on Bank of England independence. When the evidence has been considered, we shall announce our policy in the customary way.

If we oppose a policy in Committee, that is a statement of our position. However, at the next general election, we shall have to consider our priorities, and which policies we may or may not abolish.

Mr. Geraint Davies: Will the hon. Lady give way?

Mrs. Browning: No; I have been more than generous. However, it might be helpful to the hon. Gentleman if I put on the letter board for him a copy of "The Common Sense Revolution", in which he will find many common-sense ideas that could well be applied by the Government. It might even get them out of a bit of a jam.

The Government are floundering on business and regulation issues. When one sees wording such as that which I quoted from the Select Committee on Trade and Industry report—which was an absolute indictment of how the Government and the Department deal with business—one knows that the Government are in need of help from all quarters. The Opposition will be as helpful to Ministers as we possibly can be.

The situation is not really getting any better, nor is it likely to get any better. Mr. Maurice Fitzpatrick, chief economist at Chantrey Vellacott, said that the new

business regulation index, covering the year to next May, shows that the main index has risen from just over 117 last year to 120 this year. That compares with the base of 100 set for the year to May 1997, which represents the Government's inheritance from the previous Government.

Mr. Fitzpatrick stated:

"The index continued its remorseless upward trend, with additional costs to businesses arising for example from recent changes in employment tribunal legislation as well as the cost to businesses dealing with corporation tax self-assessment."

Mr. Fitzpatrick also warned of

"further legislation in the pipeline, not yet reflected in the index. This includes the EU recycling directive and the EU Workers Consultation directive."

Therefore, when the Secretary of State for Trade and Industry prays in aid the work of the Cabinet Committee with which he will be involved, I hope that he not only bears in mind the damage that he and his colleagues have done in the past two years, but seeks to intervene and prevent even more damage, which is on the horizon.

The Secretary of State said in his speech that Conservative Members had no interest in issues surrounding box-ticking and excessive paperwork. I am grateful to him for making that statement because nothing could be further from the truth, and it gives me an ideal opportunity to describe an exercise that he might like to set as a top priority for the new Cabinet Committee on red tape. The exercise would not require much effort to achieve results, as it would deal with the tax deduction scheme that the Government have introduced for the construction industry.

Many hon. Members have received letters from constituents involved in the construction industry, describing how they personally have to visit the head office of the company with which they are contracting to produce their certificates. They cannot fax certificates. Last week—in just one week—one constituent had to visit Edinburgh, Brighton and Worcester.

I have a letter from a small company—Bortec, of Brentwood in Essex—which I know will be of great interest to the Secretary of State, and I hope that he will go post haste from the Chamber to do something about the matters described in the letter. I shall quote the letter at length, as it describes precisely the type of case that the Minister for the Cabinet Office would have heard about if she had had round the dining table in Lancaster house people from small businesses, rather than from FTSE 100 companies—and I ask for the House's patience.

Bortec's managing director writes:

"The new system has been in force from the beginning of August this year and has already become a total farce.

We were issued with the requisite tax certificate and this has to be presented to each contractor in person by the individual shown on the plastic card. This can become totally uneconomic as my company works all over the UK. I might do a job in Aberdeen for a price of £1000. As I do not carry out the work myself I am required to then travel to Aberdeen at additional cost to show the certificate to the contractor in order to get paid."

Despite the Minister's words about e-commerce, businesses are not allowed to fax or e-mail anything. Certificates must be shown in person. The letter continues:

"In addition to the certificate we were issued with some voucher books. It appears that the system for dealing with these vouchers is not clear. We thought that we had to separate the pages and send them off to the various places, ie one to the customer (contractor) one to the Tax Office and keep one ourselves. Apparently this is not so as the whole set has to be sent to the contractor.

Having made the error and now having exhausted my supply of vouchers, I telephoned my Tax Office to request further supplies to be told—'Sorry we have run out. We were only supplied 10 sets per sub contractor'. The answer to the next question of OK when will we get some more was 'Well not only have we run out of voucher sets, but we have run out of the special paper needed to print new sets'."

I know that the Secretary of State will want to follow up that point and examine it in great detail. What is the reason for special paper? Perhaps he will tell us, as the practice seems to demonstrate bureaucracy gone mad. The letter continues:

"We will have to wait for them to make the paper. The vouchers then have to be printed and customised and sent to the sub contractor. It could take months."

I shall make a copy of the letter available to the Secretary of State. It continues for several more paragraphs, but ends:

"I presume this is another ploy by this incompetent set of Ministers to try to raise more money by imposing fines arbitrarily".

Before the Secretary of State challenges Conservative Members for having no interest in form-filling and what he regards as inconsequential regulations, he should get his own house in order. Before he starts to parry with Conservative Members, he should deal with the bureaucratic nonsenses that the Government have created and are now obliged to deal with. He would do well to begin with the type of nonsenses that I have described, rather than having grand dinners talking to large companies. Only if he does that will he even begin to address the problems that the Government have caused the business sector.

The implementation of regulation has been a great weakness for the Government. The working time directive required a 98-page book simply to explain to business how it should be implemented. The national minimum wage required a 112-page book. How many businesses have the time even to read the books, never mind to know whether they are complying with the legislation? The penalties are punitive if businesses have not read, for example, page 94.

I raised this issue at the beginning of my speech, because it is clear that there is a busy schedule of new legislation in the Queen's Speech for the Department of Trade and Industry. If the Secretary of State wants his Department to regain any shred of credibility, it is essential that any new legislation introduced this Session must pass the test that he has spelled out today. We shall examine with great care any Bills that pass through Committees this Session to ensure that they deal with the detail and any potential problems before they are put on to the statute book. To date, the Government's track record on that has been extremely poor.

The Secretary of State mentioned the Electronic Communications Bill. It has come round for the second time, because it was announced in the previous Queen's Speech. I am pleased that the Secretary of State was able to tell us that the Bill has been printed today, because we would like to give it a pretty rapid passage through the House provided that it does what business wants, is not prescriptive and genuinely has a light touch. The Select Committee on Trade and Industry considered the

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Government's approach to e-commerce in its seventh report and, on 12 May, it described their approach as being of

"glacial speed in this rapidly changing industry".

All too late, just before the end of the previous Session, the Government suddenly woke up to the fact that, despite the fact that they had announced an e-commerce Bill, they had not done anything about it. We want a light touch and, as the Secretary of State knows, most of business believes that we need rapid legislation to firm up the law on electronic signatures. Business clearly needs that, so that it can use e-commerce and electronic business-to-business systems more effectively.

We are glad that the Secretary of State has taken the proposals for encryption out of the Bill and moved them to Home Office legislation. However, we hope that he is talking to the Home Secretary to ensure that what the Home Office proposes does not impact on the business community.

Over and above that, we have reservations about whether the Bill need contain more than just four pages dealing with electronic signatures. Industry is best equipped to set its own standards; it does not need to set up a system that will become obsolete. When we debate the Bill in Committee, I hope that the Secretary of State will have a mind to what industry has said. I have spoken to members of industry and my understanding is that they want a Bill with a light touch.

We shall debate a Bill on the Royal Mail. We have already debated that issue when the Secretary of State made a statement and—I am sure that he was grateful for this—we supported his proposals to free up the Royal Mail to the marketplace even though he did not go quite as far as we would have liked. However, we were the only people to support him when he made his announcement on 15 July. There were some rather glum and concerned faces among the Labour Members sitting behind him.

It is important that the Royal Mail should be allowed to compete. We are greatly concerned about the future of the nation's sub-post office network and about the fact that, from 2003, sub-post offices will no longer be able to pay out benefits and pensions across the counter because people will be obliged to have their payments made into a bank account.

I am sure that we shall consider the Royal Mail in more detail when the Bill comes before the House, but it is interesting that, when the Secretary of State made his announcement, he said to great acclaim that he was going to allow freedom in the market for any postal item worth more than 50p. By cutting the figure from £1 to 50p, he said that he would reduce the Royal Mail's monopoly. He laid a statutory instrument in the House to that effect, but revoked it while the House was in recess.

Some of us wish that the House had been sitting at that time. The Secretary of State made a statement to the House and introduced a statutory instrument, so it was an extraordinary coincidence that, when the Post Office union workers decided that they would have a go on that issue at the Labour party conference, he was influenced to revoke his own statutory instrument. I am happy to allow him to intervene—apparently he does not want to—but will he explain why there was all this to-ing and fro-ing with the statutory instrument?

Yet again, it appears that the unions still have a great influence even on new Labour. The Prime Minister told the TUC conference only this year, "You run the unions. We run the Government", but that does not seem to apply to the Department of Trade and Industry. The Secretary of State laid a statutory instrument, but was prepared to revoke it simply because of union pressure. The Government talk tough, but they act weak. I hope that his resolve will be firmer when the Bill comes before the House.

Mr. Byers: The Select Committee on Trade and Industry reported specifically on this issue. It is an all-party Committee, and I agreed with its recommendation and decided to revoke the order. I listened to a Select Committee of the House, decided that its recommendation was sound and, on that basis, agreed to do what it suggested.

Mrs. Browning: I am, of course, aware of the Select Committee's recommendation. I take the Secretary of State's action as an encouraging sign. I assume that it means, when it comes to the important reports on which we await his response, that he regards the advice of the Select Committee on Trade and Industry as being such that he feels obliged to accept its specific recommendations. This case is a useful precedent for the Government and his Department.

In the past few months, the work of the Select Committee on Trade and Industry has been full of common sense. If the Secretary of State is telling us that he will accept the common-sense advice of the Select Committee, I will be the first to endorse that. I suspect, however, that this decision was the result of more than a coincidence. It was taken in the run-up to the Labour party conference and as a result of the pressure that the unions put on him. As we know, what appears on television is far more important to the Government than the fact that a statutory instrument has been laid in the House. Perhaps the Secretary of State will reflect on that, given his earlier comments about television.

Mr. Edward Leigh (Gainsborough): Given all the difficulties that a publicly underwritten Post Office has in competing with the private sector, does my hon. Friend not agree that it should simply have been privatised?

Mrs. Browning: My hon. Friend is right. We encouraged the Minister to go the full way rather than retaining 100 per cent. of the shares. However, as I predicted to the Secretary of State earlier, the Bill will be the precursor to full privatisation of the Royal Mail. I believe that he would have carried that out in a leap and a bound were it not for the Post Office workers union. However, we are extremely grateful, because the Bill will be a paving measure for future policy development. If he does not go far enough, the Bill will certainly open the way for us to consider how we might liberalise the Royal Mail so that it can compete better in an open global marketplace.

Mr. Geraint Davies: Will the hon. Lady give way?

Mrs. Browning: Let me finish my point. I said this when the Secretary of State made his announcement, but I caution him that we shall be careful to ensure that the

methodology and regulation built into the Bill are transparent so that there will be public accountability for the funding and financial operation of the Royal Mail, of which the Government own 100 per cent. of the shares. We want no fiddled figures and no masking of where the public interest is and is not. When the Bill comes to Committee, we shall expect it to be transparent and detailed.

I worked with the Secretary of State when he was the Minister for School Standards and served on the Committee considering the School Standards and Framework Act 1998. Therefore, I am only too aware that he is a past master at introducing legislation to the House and leaving the devil of the detail until later, when a Bill does not receive the detailed scrutiny that it would in a Standing Committee. The legislation on grammar schools is a classic case in point, as we pointed out at the time. We are alert to his tactics and methodology, and we shall certainly look for transparency and detail in the Bill on the Post Office.

The Secretary of State will introduce other measures to the House this Session, some of which we shall, in principle, welcome. However, we shall reserve our position until we see what is in the Bills when they are printed. I believe that we can support the proposals for limited liability partnerships and we want to see greater competition in the privatised utilities. However, it is ironic to hear a Labour Secretary of State condemning the French for their restrictive practices when he and his colleagues, to a man and a woman, voted against the privatisation of the utilities in previous Parliaments.We welcome their U-turns. They have very short memories.

Mr. Davies: The hon. Lady implied that there was weakness on the privatisation of the Post Office. Will she explain why the right hon. Member for Henley (Mr. Heseltine) did a U-turn on his proposed privatisation of the Post Office? Will she confirm that the Tory common-sense revolutionary objective is to privatise it?

Mrs. Browning: In the previous Parliament, the proposal to privatise the Post Office was not taken forward in legislation because my right hon. Friend the Member for Henley (Mr. Heseltine) did not think that he would get a Bill through the House due to insufficient support. Labour Members opposed it, but they now intend to support a measure to turn Royal Mail into a plc.

Mr. Davies: No.

Mrs. Browning: Yes, that is what it is. Perhaps I can guide the hon. Gentleman. The Government will have a 100 per cent. shareholding, but it is a partial privatisation. It is a precursor to what the Secretary of State intends to do. When we come to office, we will carefully consider the situation of Royal Mail to see whether what he has achieved gives them full market competitiveness, or whether we will need to take further action to achieve that.

Mr. Dismore: Will the hon. Lady give way?

Mrs. Browning: No. I must conclude, because I have had a fair crack and others want to speak.

We shall measure the Government by their actions, not by their words. We shall want transparency in every DTI Bill that comes before the House this Session. Before the Secretary of State introduces regulations in secondary as well as in primary legislation, he should be aware that the words that he has said at the Dispatch Box today, especially about the Government's commitment to remove the burden of regulation from business, will be tested by what the Government do, not what they say.

10.52 am

Gillian Merron (Lincoln): The first constituent through the door of my first packed advice surgery after I was elected brought to my attention, as many have since, a long-standing and damaging wrangle with the Child Support Agency. The agency was described by that family, and by many hundreds in my constituency since, as a nightmare. That nightmare was created by the previous Government, and the present Government are determined to get to grips with it through a comprehensive Bill announced in the Queen's Speech.

Parents have a clear responsibility to provide for children so that they can make the most of their lives. It is also clear that the present state of affairs is unacceptable. Only two thirds of maintenance assessed by the CSA is paid to the families. The Government have a responsibility to provide the structure and support that can enable families to make the most of their lives, whether they live together or, sadly, live apart as so many do.

I welcome the Government's willingness in the Queen's Speech to get a grip on the discredited CSA. That is a major step towards ending child poverty, as 1 million children will gain by our ensuring that money gets to them more effectively and efficiently. Mothers, fathers and children need to know where they stand, especially at times of distress and disturbance when families break up. The title "Child Support Agency" has become a misnomer—it implies support for children as its reason for being, but it has clearly lost its way and we must put it back on track.

I particularly welcome the quality of the Government's consultation on the reform of the CSA. It is a difficult and delicate matter and it is tricky to get the right balance, but I believe that we will achieve that.

I wrote to my constituents in Lincoln who had raised with me their difficulties with the agency. I received a considerable response, and I made representations to my right hon. Friend the Secretary of State for Social Security. My constituents' comments were constructive and rooted in real life. I am sure that the involvement of those with direct experience will mean a stronger and more responsive service from the agency.

The CSA was doomed to fail. The formula for working out payments was far too complicated and difficult to understand and people never knew what was expected of them. Crucially, too little goes to the children. Many people would be staggered, as I was, to learn that the agency has 1.5 million children on its books, but only 250,000 gain financially. That cannot be right.

Not surprisingly, staff are doing sums 90 per cent. of the time and getting people to comply with payment orders only 10 per cent. of the time. It is no wonder that children are denied the financial support that is rightly theirs. The picture is of an agency that has grown out of control, having been set up on the wrong premise although to do the right thing.

The child support, pensions and social security Bill is only one of the 28 Bills announced in the Queen's Speech. In his opening comments today, my right hon. Friend the

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Secretary of State for Trade and Industry described the background of an increasingly stable and prosperous economy. I am delighted that we now have the lowest number of people unemployed and claiming benefit for 19 years. That is a considerable achievement for the Government.

Mr. Steve Webb (Northavon): The hon. Lady's comments on the Child Support Agency were measured and considered, but the agency's history shows that the original formula used was insufficiently tailored to people's circumstances, and it created rough justice. The formula was made more sophisticated to deal with that problem. Is she concerned that an even simpler formula will result in further rough justice and will create the same problems as in the past?

Gillian Merron: I shall return to the CSA and deal with the hon. Gentleman's points.

On Saturday, I met members of the Lincolnshire Society of Architects and asked them how they felt about business and the economy. They told me of a sense of confidence among members and their customers. They felt that there was a stability in the economy that they had not seen for some time, and that it allowed them to plan and to prosper. The strength of the economy enables us to provide strength for social change. The Queen's Speech lays further foundations for the country to build on, with proposals such as making it easier to vote and allowing government to be more open to the public to participate and scrutinise.

The House has ahead of it a balanced and radical programme of work. As my right hon. Friend said, seven of the 28 Bills announced are the responsibility of the Department of Trade and Industry. I believe that that will give a further boost to the economy and will fuel opportunities for fairness and better public provision, such as 16-plus education and proper support for children leaving care.

Since the previous Queen's Speech, the new deal has been extended to lone parents. I recently joined the Employment Service in Lincoln to celebrate the fact that, in the first year, more than 190 single parents had found either work or training as a result of the new deal. One of those single parents was Karen, who had been four years on her own and out of work. Like me, she pays a tremendous tribute to the new deal, because she now has a qualification to be proud of and a job that gives her and her family the income, dignity and status that she could not have got without the new deal. That is what Government policy should be about, and the Queen's Speech offers more such opportunities. There is something for everyone.

Mr. Tony McWalter (Hemel Hempstead): It is right to pay a strong tribute to the new deal because of the enormous change it has made to many people's lives, but does my hon. Friend agree with me that the system contains some anomalies? People who need training at NVQ levels 3, 4 and 5 are often prevented from gaining it, be they single parents or others. Some people require analysis of their needs. People with profound dyslexia, for example, may find that financial difficulties represent a barrier to training. However, I agree with my hon. Friend and join her in looking forward to opportunities being extended to such people.

Gillian Merron: My hon. Friend is absolutely right. That is why I am pleased that Lincolnshire is a pilot area for gateway plus, which will provide greater support to those who suffer particular disadvantages.

I am sure that all right hon. and hon. Members have tales to tell of the difficulties that occur when relationships break down and problems are encountered in dealing with the Child Support Agency. Its beleaguered staff battle on with an impossible system. Last week I assisted a constituent who has three children. Her husband left her at the end of July and she has still received no money. The following day I spoke to another woman who told me that it had taken eight months to issue forms to the father of her children who had left her. That is not how the CSA should work. Delays and errors in assessment mean that substantial arrears accrue. That is bad for everyone involved—not only for the children, but for the parent with financial responsibility. Clearly, financial wrangling gets in the way of giving children the love and care that they deserve, particularly during difficult times.

My constituents will welcome the Bill for its clarity and fairness. It will provide a simple, consistent system of percentage rates. People will know exactly where they stand, so they will be able to make plans knowing exactly what is due to them.

The new system will also take account of those supporting children in second families, a difficulty that is often raised by my constituents. Those with second families often feel that the children in their second family may be disadvantaged because they have to support the children in their first family. That cannot be right. The interests of children, in whichever family, must be paramount.

The new system of working out maintenance will also take account of parents who are lower paid. There is sufficient flexibility to allow for people's individual circumstances while improving the clarity of the system.

Another important factor is that the Bill will provide more money to children in the poorest families who currently receive little if any benefit. I am delighted that those on benefit will be able to keep the first £10 of child support. Similarly, the calculation of the working families tax credit will take no account of child maintenance payments. Those are direct, practical measures to help the very poorest families.

Finally, on enforcement, there will be a crackdown on those who try to dodge their responsibilities. I am sure that other hon. Members also hear from mothers and fathers who feel that the issue must be treated seriously. That is reflected in the establishment of a criminal offence of withholding information. It will give some security to those who believe that their ex-partners are not telling the whole story—another constant cry. The creation of a criminal offence will give a clear sign to those who are less than forthcoming about their circumstances that this will no longer be tolerated. That, in addition to the penalties for late payment, will give teeth to a system that will be fairer and more effective.

We have a continuing problem in the meantime, however. Although there have already been improvements to the CSA and the service it provides through greater

investment in computers, increased use of the phone and a better system, will my right hon. Friend let my constituents know of any immediate changes as we wait for the Bill to pass through the House and to take effect? As I am sure he is aware, poor communication with the CSA is a constant complaint from and bugbear for my constituents.

On behalf of my constituents and their families, I very much look forward to a reformed and improved CSA that will provide a more sensitive service to all involved at a traumatic time in their lives. I look forward to the CSA doing what its name implies—supporting children whose interests we must all take to heart.

11.5 am

Sir Norman Fowler (Sutton Coldfield): There have been two very good pieces of news this week, neither of which were in the Queen's Speech or the collective policy of the Government. We all know the first piece of good news and we congratulate the Prime Minister and his wife. Perhaps I am in the best position to express the hope that soon we will enable the Prime Minister to spend even more time with his expanding family.

The second piece of news, which is more directly relevant to the debate although it has nothing to do with the Secretary of State for Trade and Industry, is the appointment, which I am sure the whole House will welcome, of Digby Jones, the new director general of the Confederation of British Industry. Digby is west midlands through and through and has been a major figure in Birmingham for many years. Our hope in the west midlands is that the voice of the region will now be heard even more clearly. We are still smarting from having won the competition for the millennium exhibition, but seeing the judges keep to their original prejudice and send the dome to Greenwich.

In the west midlands generally, the services industry is significant, as it is everywhere, but manufacturing continues to be of great importance to the region. Another concern that was touched on in yesterday's debate is transport policy and its impact on business and cities. The case of the CBI and many others is that transport investment in the west midlands has fallen woefully behind that in London, for example. To impose restrictions on motorists without improving public transport would be wrong, and the workplace parking levy would simply add to business costs. It would be a business tax which would not deter people from using their cars. The transport agenda is becoming a business and industry interest throughout the country.

I deal now with two further issues, both concerning industry, and shall return to social security when the Secretary of State introduces the legislation. The first issue is training. The Secretary of State for Trade and Industry rightly emphasised the need to invest in training—knowledge, skills and learning. I agree entirely with those sentiments. Slowly and painfully, training has moved up the industrial agenda over the past 20 years. We increasingly recognise the importance of not just initial training, but training throughout life. By that I mean that the days when people started working for a company at the age of 18, 19 or 20 and remained there until they were 65 when they drew their company pension are over. Increasingly, people have to be much more flexible, a point made by the Secretary of State.

Training is of the essence—not institutional training but training connected to the workplace. Industry and business must have substantial ownership. Of course they are not the only ones involved, but they, rather than the Government or local government, must respond to changes in the marketplace. They know what their needs are, so in respect of training they must be in the driving seat.

That is why, in the late 1980s—when I was Secretary of State for Employment—we set up the training and enterprise councils. There was no doubt that the old Manpower Services Commission had run into the sand. It was failing, and even those who previously supported it could find little to say in its favour. With the TECs, we sought to involve leading local businessmen, and union and other local leaders. Whatever criticisms might be made of the TECs, we were outstandingly successful in that respect. We brought together the kind of boards that many plcs would give their eye teeth for.

Leading businessmen and company heads were freely giving their services to training in their area in an unprecedented way. A great many people have put great effort into developing training, and I regret the Government's intention to abolish TECs, which is a retrograde step for a number of reasons.

First, we had the involvement of industry, perhaps for the first time, and that is crucial to the development of training. In the past, training has been imposed on industry, and industry has not been involved properly.

Secondly, we need stability in our training structures. It is no wonder that Germany, for example, is way ahead of us in training. Not only did it start early, but it has kept to the same model for the post-war years, and arguably before that. If we continue to chop and change our structures, enormous damage will be done to this country.

If I have a criticism of the Government—actually, I have many—it is that, in several respects, they have changed schemes which have been working well because they could not bring themselves to embrace the work of the previous Government. Personal equity plans, for example, were replaced by the ever-more complex individual savings accounts. I do not believe that anybody thinks that that was a step forward.

Thirdly, TECs were important because they represented devolution from Government to industry and business. Doubtless improvements could be made, and doubtless criticisms could have been made during the early years of TECs, but those criticisms could have been answered. However, devolution was vastly important, and my fear is that we will return to a centralised system in which Government, in the shape of the Department for Education and Employment, pulls the strings.

I do not believe that the Department of Employment should have gone to the Department of Education in the first place—if it had to go anywhere, it should have been to the Department of Trade and Industry, which would have been much better. However, the idea that we now return to a system where training is centrally imposed and laid on business is a thoroughly retrograde step. If that happens, all the fine words of the Government will not prevent a failure of training, which would be a vast tragedy.

My main point concerns the Government's proposals for the Post Office. The Secretary of State said very little about this, apart from referring us to the White Paper, the

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logical conclusion of which seems to be that the Post Office will move from the public to the private sector. It is as if, by accident, the departmental word processors were still printing the words of my right hon. Friend the Member for Henley (Mr. Heseltine).

There is much talk of

"greater liberalisation of traditional monopolies . . . opening up European and world domestic markets . . . globalisation of postal services and consolidation amongst key players."

The message seems to be one of commercial freedom, opportunity and meeting the demands of the internet age. But suddenly, the language changes, and the Treasury intervenes. The word now is:

"for investments of £75 million or less there will be timely notification with borrowing limited to a maximum of £75 million in each of the next five years. For investments over £75 million (or where the satisfactory return from a smaller investment is dependent on further linked investment) the approval of ministers will be required. The Government will approve Post Office requests for borrowing for investment cases which are consistent with the strategic plan, commercially robust and pose no undue risk to the taxpayer."

We are left with a curious hybrid animal, neither one thing nor the other. It is the industrial equivalent of the House of Lords. The Post Office is to be owned by the Government, but it will not be a nationalised industry. It is to be allowed more commercial freedom, but it is not to be transferred to the private sector. In the language of this Administration, it represents the third way.

The trouble is that this third way risks satisfying no one. The fact is that the Post Office will be owned by the Government and will be subject to the kind of controls set out in the White Paper. That means, bluntly, that the Post Office will be subject not only to a regulator, but to the interference of Ministers and civil servants. One must make the point—I do not do so critically—that some of them have never run a business in their life.

Those concerned will have to take crucial commercial decisions on what

"no undue risk to the taxpayer"

means. Difficult decisions will go not only to the board of the Post Office, but to civil servants and Ministers. If the decisions are important, they will have to go to a Cabinet Committee. If they are really important, they will have to go to the Cabinet. Not many businesses have to deal with all those hurdles before they get permission to move forward.

That is a recipe for delay and commercial failure, which I do not believe any of us wants. Government ownership raises the question of who will pick up the bill if an investment with "no undue risk" goes wrong. I see that the Post Office has invested in a German express parcels company. I hope that that is a good investment, but I am bound to say that parcels have not always been the most surefire financial winner in the past.

I remember the 1970s when National Carriers, the parcels business of the old National Freight Corporation, was losing £25 million on a £25 million turnover—some record. I remember that the same company, when still nationalised, went into France, with the probable support of the Government, and came out with heavy losses which led to the closure of the French business.

Clearly, business risk cannot be avoided. I have heard someone trying to suggest that we can somehow go into a business friendly, risk-free environment. That is a nice idea, but it is not practical. When a company is owned by the Government, the risk is adopted by the taxpayer. The Government stand behind the company.

Mr. Dismore: Will the right hon. Gentleman answer the straight question that was put by my hon. Friend the Member for Croydon, Central (Mr. Davies) to the hon. Member for Tiverton and Honiton (Mrs. Browning)? Do the Opposition believe in privatising the Post Office—yes or no?

Sir Norman Fowler: I speak for myself, but my answer is yes, yes, yes. I shall now develop that argument, having made my position reasonably clear.

Mr. David Willetts (Havant): Come off the fence.

Sir Norman Fowler: Perhaps I have not emphasised my position strongly enough.

We all want the Post Office to be a successful business, providing most of the basic services that it currently provides, although there may be a question about some of its parcels business. I hope that the hon. Member for Hendon (Mr. Dismore) accepts that there is no difference in aim between us. The difference is in how we believe that aim should be achieved. My view is that all those issues could be settled if we at long last plucked up the courage to put the Post Office into the private sector. That would give the management freedom to run the business without interference from Ministers, the civil service and the Treasury; the Government could lay down requirements on, for example, a universal postal charge; it would allow the Secretary of State to carry out an enabling role; and, above all, the business could prosper, which is the best way of ensuring continuity of employment—and good employment, at that—for thousands of Post Office staff.

Mr. Geraint Davies: Does the right hon. Gentleman accept that his prescription for privatisation would lead to the destruction of the rural network of post offices, and that the thousands of jobs that he mentioned would be under threat from a privatised company? Does he further accept that the third way forward of greater commercial freedom, which contains the amount of risk borne by the taxpayer, is surely the way to square that circle?

Sir Norman Fowler: I think that the third way forward is nonsense, and I think that the hon. Gentleman would agree with me. I do not think anyone believes that it is viable. It does not contain the risk—there is no question of that. Ministers and civil servants will still have to make judgments on what "no undue risk" means. The Post Office will be run like an old-fashioned nationalised industry, although perhaps a little better. As Secretary of State for Transport, I used to run a an old-fashioned nationalised industry, and, whatever the hon. Gentleman's views, it is no fun for the people running the industry. Whether one is Conservative, Labour or Liberal Democrat, it is a lousy way of running a business.

I do not agree with the hon. Gentleman. The Secretary of State said that the Government could have an enabling role. For the Government to lay down their requirements can be part of the privatisation process—I do not see that as a hurdle.

Why are the Government not taking this obvious action? Frankly, the only argument against it is that the unions do not like the proposal, and like the idea of losing influence even less. However, that argument is not remotely conclusive. Privatisation may not be in the interests of the union, but that is not to say that it is not in the interests of the work force or the business. Those are the crucial tests.

There is nothing remotely new about the union argument. I carried out the first privatisations of the Thatcher Government in 1979 and 1980. We denationalised the National Freight Corporation, which has some similarities with the Post Office in that it was a transport business and delivered parcels. In addition, it was one of the biggest removals businesses in the country, although I never quite understood why the Government had an interest in running a removals business.

I also denationalised the British Transport Docks Board. It is now Associated British Ports, and is prospering in the private sector. Needless to say, both proposals were condemned at length by the right hon. Member for Hull, East (Mr. Prescott), now the Deputy Prime Minister, and the right hon. Member for Holborn and St. Pancras (Mr. Dobson)—who, I believe, remains one of Labour's candidates for mayor of London. Of course, the unions liked neither proposal. The Transport and General Workers Union argued strongly against the measure and brought its members to the brink of industrial action. It told its members in the NFC not to buy shares in the new company. Fortunately, many of those members ignored that advice and gained substantially as a result. That was a prime example of a union arguing from its own point of view, not from that of its members. Therefore, I do not regard it as having been a crucial argument.

Those companies were not, in fact, taken over by outside managers. There was no wholesale recruitment of new managers to scrap this job or that. The companies were run by the same managers who had run them in the public sector, such as Peter Thompson of the NFC and Keith Stuart. The skill was there—what was lacking had been the freedom to use it. That is exactly the position with the Post Office.

When, having left the Government, I returned to the NFC 12 years later as a board member, I do not recall anyone saying, "We really want to return to the public sector and to Government control. We loved having Ministers telling us what to do and checking our plans, and we loved having civil servants crawling all over us." I never heard that wish expressed by anyone, even though we must have had some of the largest annual general meetings of any public company. One reason for that was the substantial employee shareholding in the business—the staff had a stake in the business that they were working for. That is an important lesson about privatisation for both the Conservative and Labour parties.

The Government talk about joined-up government. Last week the Chancellor of the Exchequer announced new plans for helping workers to take shareholdings in their companies and to allow tax incentives to result from that. Here we have the opportunity to put that policy into practice by enfranchising thousands and thousands of people who work for the Post Office, and that opportunity is being turned down. That is a lesson not only for the Government but for my party: we need to learn that the opportunity that is there for us could fairly be said to have been there in the past.

My sadness about this proposal is that it represents a lost opportunity. I want a Post Office that produces and provides a good service but which is commercially skilled and nimble enough to withstand the competition from other forms of communication. That competition will come, whatever legislation the House may pass, and the Post Office will have to respond.

I want more than just that. I want the British Post Office to be an international as well as a domestic success. It is all very well arguing that we should give it time and that the country will get around to that solution, but time is not on our side. The opportunity may be lost, and, if that happens, the opportunity for Post Office staff will also be lost.

I suppose that I must accept that the Government will not now change their mind. Goodness knows, they have been round and round the course and have come up with the most unsatisfactory solution possible. I believe that when we look back, we will see this compromise proposal—this third way hybrid—as essentially a failure of will. We know the right way to go, and it is not this way. I hope that my party will take up the challenge.

11.29 am

Mr. Andrew Dismore (Hendon): Unlike the hon. Member for Tiverton and Honiton (Mrs. Browning), I preface my remarks by warmly congratulating my right hon. Friend the Prime Minister and Mrs. Blair on their happy news. I hope that it presages an early announcement of further improvements in the right to parental leave.

I shall concentrate on reform of the Child Support Agency. The Social Security Committee, of which I am a member, conducted a major pre-legislative review of the White Paper during the summer, culminating in the publication of its 10th report. I compliment the Government on the consultation that they carried out on reform of the CSA. Many of the witnesses who gave evidence to us commented favourably on the way in which the Government had taken on board the many representations and comments that they had received. I pay particular tribute to my noble Friend Baroness Hollis, the Under-Secretary of State for Social Security, who gave evidence to us twice and was helpful in dealing with our detailed and complex questions and requests for information.

I very much welcome the White Paper and the promise in the Queen's Speech of legislation. If we get it right—and I am confident that we shall—it will make an important contribution to the fight against child poverty. In his foreword to the White Paper, my right hon. Friend the Prime Minister says:

> "Over half of all children living in poverty in Britain today live in single-parent families. If every absent parent paid the maintenance they owe, more than a million children would face a brighter future. Not only because they would be financially better off but when a child knows the non-resident parent is still helping to pay for their food, clothes and shoes, they understandably feel more secure and more loved."

The reforms that we anticipate will put children at the forefront of what we are trying to achieve. The changes are not Treasury-led and no Treasury savings are being

[Mr. Andrew Dismore]

sought. The reforms are cost-neutral. They will set up a system that will work and not get bogged down in bureaucracy.

The Select Committee compared the original targets for the CSA with what has happened. That is set out in detail from paragraph 4 onwards. The report says that one of the objects

"was to reverse the declining number of lone parents on benefit who were in receipt of child maintenance. In 1979, 50 per cent. of lone parents on Supplementary Benefit . . . received child maintenance. By 1989 the proportion of lone parents on Income Support in receipt of child maintenance had fallen to 23 per cent. Nine years later, and five years after the Child Support Agency began its work, the proportion of lone parents on Income Support receiving maintenance for their children had not increased. . . . By May 1999, almost a third of non-resident parents assessed to pay child support were paying nothing, and a quarter were making only partial payments."

It continues:

"Another of the major aims . . . was to 'produce maintenance payments which are realistically related to the costs of caring for a child."

Criticism was expressed of the then court system, which produced average payments of £20 a week in county courts. By May 1999, the CSA had reduced the average value of payments to £19.99 per week. That was a supermarket discount on the county courts, not an improvement that was originally presaged.

The original scheme was also proposed

"to allow for maintenance payments to be reviewed regularly",

but by July 1999 more than a third of a million periodic reviews were still outstanding. The report points out that the original White Paper

"was critical about the length of time it took the courts to arrange maintenance. At that time half of magistrates court cases then were cleared within 7 weeks and the median for county courts was 19 weeks."

As of 31 March this year, 47,000 applications had been outstanding for over a year, representing almost a third of the total outstanding applications to that date. The new scheme was supposed to produce consistent and predictable results, yet it clearly failed to do so.

We all know from our constituency surgeries and correspondence how unpopular and ineffective the CSA has been. I shall illustrate that by quoting from a couple of letters that I received recently on the issue. One constituent wrote:

"I am writing to ask you for help on behalf of my wife . . . in her long-running and so far fruitless attempt to get maintenance from her ex-husband via the Child Support Agency."

The letter says that

"you can never deal with a single case officer: each time you make an inquiry you end up speaking to/receiving a letter from a different person—a recipe for confusion."

Another problem is that

"it is often hard to penetrate the smokescreen of jargon to find out what is really going on."

In 1994 my constituent's wife

"registered with the CSA in order to obtain maintenance. . . . So far she has got nothing.

Last summer the CSA informed her that owing to a bungle on their part, she had lost any claim to three years worth of arrears arising out of a maintenance assessment made in June 1995—an amount worth nearly £15,000. . . . The CSA suggested she apply for compensation, which she did.

Eight months later she received a letter from the CSA last week saying they had been unable to process her application for compensation so far because they lacked the 'policy guidance' to do so. . . .

In the meantime, the CSA made a fresh assessment of her ex-husband and told her that from 13 February her ex-husband would be making a payment to her."

I spoke to the family last night on the phone. Needless to say, so far nothing has come through.

Another constituent wrote to me:

"I wish to lodge a complaint in relation to the long delay and inability of"—

the CSA—

"in obtaining arrears, in excess of £2,500, due to me by my ex-husband. The result of this excessively long delay has caused me increasingly severe financial hardship and the knock-on effect is affecting the emotional well-being of my children. . . .

I first requested the CSA collect maintenance for me in April 1997. . . . My children have been treated like punchbags. . . . Many debts have accrued as a result of the lack of maintenance . . . and I understand that even if a Liability Order is made, it will not include interest and probably will be payable by instalments. However, my debts have accrued substantial interest."

The letter writer goes on to describe how her case has been backwards and forwards to the courts. She contacted the enforcement office as requested a few days after the second hearing and was told that it had not heard from the presenting officer and would contact her as soon as it knew the outcome. Several weeks passed and several phone calls could not determine the outcome. She then contacted me. I investigated the case and found out what had been going on, but she has still not been contacted by the enforcement office and she has still not been informed officially by the CSA of the outcome. The letter continues:

"The matter has dragged on for over 2½ years and it is looking to be nearer 3 years before effective action is taken."

Those two cases and our general experience show graphically the problems of the CSA, which were further illustrated by the recent television series that showed how the original CSA scheme was doomed to failure when it was set up because it was Treasury-led, which meant that there were fundamental errors from the start. It had to use a hand-me-down computer system that could not cope. There was nothing in it for lone parents because of the decision not to allow them to benefit from maintenance payments. The only things that lone parents got out of it were complex forms, grief from bureaucracy and often hassle from the absent parent. That resulted in an absence of trust, a lack of co-operation from lone parents and absent fathers, and even civil disobedience.

The Select Committee heard evidence from the National Association for Child Support Action. I asked its representative Mr. Farquarson:

"How do you square . . . the group offering tips on delaying the introduction of CSA payments, including failing to return documents or 'forgetting' to include relevant information, and returning to the CSA their correspondence unopened marked with the words 'gone away' or 'not known at this address'?"

His answer was:

"Very simply. I do not believe that when the CSA make an enormous assessment against someone that is beyond their means to pay . . . that there is a moral . . . responsibility to pay that money. I would also say with no shame at all that I admit . . . that NACSA has been involved in a campaign of civil disobedience."

The Select Committee rightly condemned that approach, but it is understandable from people who have a real sense of grievance because of the fiasco that the CSA has been. That is why I welcome the Government's new approach. A simple formula of 15 per cent., 20 per cent. or 25 per cent. of earnings will enable people to know where they stand much earlier. Admittedly, there is an element of rough justice, but people will be able to make their calculations early and they will know where they stand.

Mrs. Linda Gilroy (Plymouth, Sutton): There is a Child Support Agency office in Plymouth, employing 1,400 people. Does my hon. Friend agree that simplifying the system will make their jobs infinitely easier because they will be able to concentrate on enforcement?

Mr. Dismore: I am grateful to my hon. Friend for that intervention and I very much agree with her point. My noble Friend Baroness Hollis said in her evidence to the Select Committee that 90 per cent. of the CSA staff's time is currently spent on arithmetic and only 10 per cent. is spent on enforcement. She hoped that that proportion would be reversed under the new scheme. That may be optimistic, but it reveals how much more the CSA officers will be able to concentrate on compliance.

To answer an earlier intervention from the hon. Member for Northavon (Mr. Webb), paragraph 15 of the Select Committee report says that the new formula was welcomed by the independent case examiner, the Children's Society, the National Council for One Parent Families, the parliamentary ombudsman and, as the detailed evidence shows, many other groups. The new formula will enable quicker assessments to be made, resulting in fewer arrears, which have been among the problems of the existing scheme.

We recommended that the Secretary of State should have the power, subject to parliamentary approval, to adjust the formula in the light of experience and that the discretion in the scheme should have clear parameters set down in regulations so that the officials administering it know precisely what they can and cannot do, and claimants and absent parents can more readily know the amounts due.

I welcome the way in which second families will be treated. Children of first and second families will be treated more equally. We believe that the second option outlined in the Green Paper should be adopted, as it is even more fair. The recognition of the non-resident parent's role is also very important. We should ensure that, in shared care cases, the formula reflects the contribution of the non-resident parent, and we should encourage such parents to maintain contact with their children.

The introduction of the child maintenance premium will put right one of the major wrongs in the system. It is expected to encourage parents with care to co-operate with the CSA. Baroness Hollis told us that about 70 per cent. of parents who were required to co-operate with the CSA because they were on benefit were failing to do so in the first instance and that one of the reasons for their reluctance was that, for many, the agency simply represented

"no cash and lots of hassle."

We believe that the child maintenance premium will increase the income of the parent with care and assure the non-resident parent that his money is contributing to the children's family income rather than simply reducing the cost of income support to the taxpayer.

I am pleased about the greater emphasis on compliance and enforcement. My hon. Friend the Member for Lincoln (Gillian Merron) mentioned the sanctions, including the fine of up to £1,000 for withholding information and the 25 per cent. surcharge for late payment. The White Paper contains some more imaginative ideas that are welcomed in our report: for example, the withholding of driving licences or passports or, ultimately, the seizure of assets. Those imaginative methods will hit some irresponsible absent parents in a way that will drive the message home effectively.

Mr. Willetts: The Select Committee has done valuable work and I am listening carefully to the hon. Gentleman. He is talking about tougher criminal penalties, but does not he accept that there is scope for much better civil enforcement before we impose draconian criminal sanctions, especially as the Government proudly claim to be reforming civil proceedings?

Mr. Dismore: That is a valid point. Baroness Hollis argued cogently that our main task was to ensure compliance, with enforcement coming much further down the line.

We want the CSA to be much more accepted in the community at large. The Select Committee recently went on a study tour to Scandinavia. We asked people in Norway and Finland about enforcement in their countries. They were amazed that it was even an issue in our country. It is taken as read in those countries that absent parents will support their children. That concept has become increasingly alien in this country.

If we can get broad acceptance on compliance, that will be very welcome, but we need imaginative penalties, as well as draconian ones. We recommended that, if there is a dispute about income involving self-employed people, we should work on the previous year's tax returns.

The CSA needs to sharpen up its act and undergo a culture change. Paragraphs 80 to 82 of our report suggest that it should improve its internal processes for verification of income and that its annual report should include an account of its counter-fraud work. The report expresses some concerns. I was especially worried about the relationship between the CSA and private cases in which the public purse is not involved. The change was intended to deal with an ill identified in the old pre-CSA court system, but I question whether that still exists. We heard evidence suggesting that the problem may not exist and that it would be better to impose a duty on the courts to take account of the CSA formula as a starting point in child maintenance cases.

If the state starts to interfere in private cases, which are likely to involve better-off families with more complex financial arrangements, we could get embroiled in private negotiations or court judgments relating only to private assets in which the state has no direct interest. We would end up second-guessing the courts and indirectly providing a further line of appeal outside the process, thus undermining negotiation and the courts. We recommended further research on the effect on children's interests, should private cases be brought within the CSA system.

[Mr. Dismore]

We also considered resources for the CSA. Between 1995-96 and 1998-99, the CSA's live case load doubled to 750,000, yet its staff and funding remained virtually static. I suspect that that contributed to some of the problems. An increase in the work load of 20 per cent. year on year is expected until 2001. On top of that, there will be the transitional problems of training, installing new information technology and physically changing cases from the old to the new system. We recommended that a distinction should be drawn between resources for the administration of the current scheme and those allocated for developing the new systems, which should be sufficient to reflect the expected increase in work load.

We are very concerned about computer systems. We had clear assurances from both the chief executive and Baroness Hollis that there was only a small risk that the new system would not be ready by 2001, but we recommended that it should not come on stream until the Government, and indeed the Select Committee, were satisfied that it was fully operational.

There will inevitably be winners and losers under the new scheme as compared with the present one. We must phase in the changes and handle them sensitively. I understood the agency's fear of the big bang approach, bringing both old and new cases on stream together, but we must expect pressure from affected parents to come into the new system perhaps before a proper view can be reached of its effectiveness. We need to show some light at the end of the tunnel for the parents on the existing scheme. Otherwise, we will continue to have grief from them and there will be no confidence in the new arrangements. We recommended that the Government timetable the transfer to allow people to know where they stand.

We identified a problem with the child premium payment. As things stand, that will apply only to new cases. I hope that my right hon. Friend will consider the Select Committee's recommendations, because I am mindful of the potential conflicts that could be created when one lone parent, whose case has been newly assessed, benefits from that extra £10 a week, whereas her next door neighbour has had a long-running battle with the CSA, yet all that grief and strife has brought an assessment that does not benefit her, and she sees nothing of the improvement.

I welcome the Government's approach to the long overdue reform of the CSA. It will correct many of the ills associated with the agency, which the previous Government should have foreseen when they introduced it. The reforms have been widely welcomed by practically everyone connected with the CSA, as our Select Committee report makes clear.

11.50 am

Dr. Vincent Cable (Twickenham): As we zigzag between two rather different subjects for the debate, I shall say a few words about the Department of Trade and Industry issues and I hope that my hon. Friend the Member for Northavon (Mr. Webb) will catch your eye, Mr. Deputy Speaker, on the social security issues.

There is a certain amount of conceit in Governments—not only the present Government, but Governments in general—about what they can do to stimulate the rate of economic growth and the efficiency of the economy. All the economic and historical work that I have seen suggests that the underlying growth of the British economy has remained pretty well unchanged since the Napoleonic wars—a trend that largely survived major experiments such as the nationalisation of the commanding heights of the economy, and even Mrs. Thatcher. So one should be suitably modest about what seven trade and industry Bills are likely to achieve.

None the less, there is a consensus about good practice and the kind of things that the Government ought to do to help the economy maximise its potential. One of those is to provide a framework for financial stability, and we give the Government credit for their advances in that area, notably monetary stability, the independence of the Bank of England and low inflation. Those are all positive achievements.

However, there is one major negative—the exchange rate, which tends to get overlooked. British manufacturing industry has lost 10 per cent. of its competitiveness since the Government came into office, and 23 per cent. since the end of 1996. All the tax concessions and regulatory innovations that the Government are considering will not compensate for that massive hit, which originated in uncertainty about our policy towards Europe.

The second major contribution that the Government can make, and are making, is full support for international initiatives to ensure that British exporters can operate in world markets. The Minister referred briefly to the new round of trade negotiations, but I have one reservation—that that enormously important subject will not be debated in the House at all. A scrutiny Committee, European Standing Committee C, will examine the matter on Monday, but that is the only opportunity that Parliament will have to review the matter. However, the sounds coming from the Government are right, and I have no reservations about what they are saying.

The third and most important area, which is the main area of contention, is regulation. It is clear that the Government are in some difficulty there, and the comments in yesterday's *Financial Times*, which their tone suggests emanated either from No. 10 Downing street or Lord Haskins, reflect some of the frustration:

"Tony Blair has been forced to rebuke John Prescott, Deputy Prime Minister, and Jack Straw, Home Secretary, for failing to co-operate fully"

with an initiative addressing the issue of Government regulation.

When we think about what happens in those Departments, it is clear what is meant. The Home Office is an example; one notorious area of over-regulation is known as section 8—a term that initiated with the Conservatives' Asylum and Immigration Act 1996, which is why their shrillness on the subject is a little ill judged.

Under section 8, all employers, whether big or small, are required to operate a sophisticated and detailed system of immigration control involving the scrutiny of up to 50 separate documents to establish the appropriate level of compliance with national insurance, passport and visa regulations.

Despite strong representations from the CBI, the TUC, the Commission for Racial Equality and many other agencies, the Government have ignored their own earlier intentions and persisted with that regulatory overload, which does little to help achieve their social or economic objectives.

As for the Deputy Prime Minister's Department, one area deserves special attention. Part of his large empire is the Health and Safety Executive. If one talks to employers they will quickly suggest the HSE as a prime example of excessive and inappropriate regulation. Clearly, the principles of health and safety regulation are widely shared, and we wish to protect the safety of workers at work. However, the HSE provides a good example of regulation that has gone badly wrong. There is a large bureaucracy that costs £170 million and produces an enormous amount of paperwork, but when it comes to the crunch of enforcing safety regulation on seriously negligent employers, little is done. A shocking report, which has now gone to the Select Committee on the Environment, Transport and Regional Affairs, points out that only 12 per cent. of serious injury cases at work are ever investigated. Even of those, only 10 per cent. lead to prosecution, and the overwhelming bulk are prosecuted in magistrates courts, in which large employers are faced with a maximum fine of £5,000.

There is therefore a disparity between very lax and casual enforcement by a regulatory agency and the enormous amount of red tape generated. That is the rather deep issue that the Government must address, and it goes to the heart of the Departments promoting deregulation.

The House has often discussed the problems presented for knowledge workers by IR35. One of the most striking features of that story is that when the Inland Revenue commissioned its own regulatory impact assessment, the study produced powerful negative evidence. It also showed that the Government would lose much revenue as well as recouping revenue. Yet Treasury Ministers took no action to reflect what their own regulatory impact assessment had told them.

I have been trying to pursue recently in parliamentary questions how the Minister for the Cabinet Office proposed to tackle the agenda. A week ago I asked whether she could think of one example of a regulatory impact assessment that had led to a regulation being withdrawn. She could not. Yet, so far as I know, the Government have so far introduced 2,800 new regulations.

There are various ways of tackling the problem, and they have been suggested from both sides of the House. I know that the hon. Member for Buckingham (Mr. Bercow) has been active in that respect, and has suggested the fade-out concept. Other action could be taken too, and I hope that the Government will think about it.

For example, one of the most positive features of the Financial Services and Markets Bill is that it requires the Financial Services Authority, before introducing a new regulation, to demonstrate that the benefits will outweigh the costs. That is a simple requirement, but I do not see why the practice should not be generalised throughout government.

I have dealt with the regulatory issue at some length, because it frames the context in which we have to consider major deregulation issues, such as e-commerce legislation. I must say at the outset that the Minister for Small Business and E-Commerce, creditably, has listened to representations, so that the items that many of us are concerned about, such as mandatory escrow and the obligatory licensing of encryption, seem to have disappeared from the Electronic Communications Bill. It will be published this morning, however, and we must wait to see the detail.

There are certainly two residual concerns, which we shall raise on the Floor of the House when we discuss the Bill. One of them has already been raised by the hon. Member for Esher and Walton (Mr. Taylor). It is the very important point of whether the removal of such features from DTI legislation will simply be nullified by their re-introduction, under a new heading, in Home Office security legislation.

The other point, which is more pertinent to the DTI, is whether the substantial reserve powers that will be granted—they are very extensive for secondary legislation, including, for example, a requirement for a register of approved providers—will stimulate e-commerce rather than produce heavy-handed regulation. We must confront such questions when the proposed legislation is before Parliament.

There is another important e-commerce issue on which the Government have got themselves into great difficulty, which is causing industry serious worry and needs to be resolved long before we tackle the legislation.

Although the DTI and No. 10 Downing street are pursuing a genuinely supportive and consistent policy on e-commerce, the Lord Chancellor appears to have his own, independent line. Indeed, he appears to disagree with the rest of the Government and has allowed to be incorporated into a European directive that is crucial to the development of e-commerce and which originally incorporated the home-country principle for trade—a rather technical issue, but important in commercial law—qualifications that could seriously disadvantage British industry.

In pursuing the issue, I asked a named-day question two weeks before the end of the previous Session. I inquired whether the Lord Chancellor could confirm that he agreed with the Minister for Small Business and E-Commerce. Despite the fact that the day had been named and the Lord Chancellor had abundant opportunity to reply, no answer was given. I checked with the Table Office, which seemed unclear about how to deal with a Minister who refuses to answer the question. The matter is serious. I put it to the Government again that the Lord Chancellor, by incompetence, arrogance or for some other reason, appears to be causing the rest of the Government serious difficulties. I hope that the matter will be addressed properly and promptly.

The regulation of the utilities and changes to the Post Office are the other major family of concerns that will be addressed in the new Session. It is a little difficult at this stage to see what the Government intend to achieve through utilities regulation. We have had only the very broadest of outlines. Three basic concerns need to be addressed—one, consumer interest, which is being given primacy, has already been heralded.

One of the other two issues is that of executive pay. Of course, it would be absurd for the Government to return to the old days of trying to prescribe specific levels of payment for senior executives in the utilities or in any other part of industry. However, there are genuine concerns. The enterprises involved are often not risk-taking ones. People are receiving very generous and, economically, totally inappropriate remuneration for operating in monopolies.

As we know from many of the scandals that erupted as a result of executives of privatised utilities paying themselves personal fortunes thanks to their proprietary

[Dr. Vincent Cable]

knowledge and contacts in the old public utility days, we need a clear framework of conditions under which executive pay should be set, with penalties for abuse.

The other issue that needs to be addressed is that of parliamentary scrutiny. How far are the regulators to be accountable to Ministers and Parliament? I hope that the Government will reflect on the following model. As somebody who sat on the Treasury Joint Committee, I have been very impressed by the positive way in which parliamentary scrutiny has worked for members of the Monetary Policy Committee. The idea of reviewing their membership and periodically questioning them in Parliament is a good discipline for them and valuable to the public interest. I hope that, in the Government's proposed utilities legislation, they will give thought to how such a principle might be extended to regulators.

Mr. Geraint Davies: Does the hon. Gentleman accept that the regulators are accountable to the Public Accounts Committee?

Dr. Cable: They may be accountable to the PAC, but, as I have just said, there are many aspects of utilities regulation which are not covered by such concern for the legitimate use of public accounts. The wide-ranging aspects of such regulation would be properly covered by different Select Committees, with their different specialisms. We can have such a technical argument when the Bill is before us. There are other and better methods of scrutiny.

The proposals on the Post Office promise to be the most contentious part of the Government's programme. Certainly, as the proposed legislation stands, we shall oppose it unless we receive substantial reassurances.

The Post Office clearly has a problem—I think that we all agree on that—because it faces intensifying competition, notably from e-mail, and its finances are severely constrained by the Treasury. I gather that, until recently, up to 80 per cent. of its profits were clawed back by the Treasury in one way or another. It is not able to sustain a regular investment programme, nor its valuable network of rural and other offices.

What should be done about the Post Office's difficulties? The Government must explain why their original and plausible proposal to make it an independent publicly owned corporation no longer finds favour. The argument overlaps with the debate about London's tube system, and there may be a good reason why that model will not work. However, why have the Government changed their proposal, and why do they now propose to make the Post Office a public limited company instead?

One suspicion is that the new proposal will allow shares to be sold, thus enabling the Treasury to top up its war chest when it becomes depleted—in other words, that the requirement is driven by the Treasury rather than by business.

The other suspicion was made explicit earlier in this morning's debate, and it is that the proposal is a prelude to privatisation. My attitude to privatisation is pragmatic: it has worked well in many instances, but badly in some. Its failures have been especially notable where networks are involved, and the Railtrack system is the glaring example of that.

Any proposal that made privatisation of the Post Office network more likely would have to be argued very persuasively. One person who would have to be converted would be the former Prime Minister, Baroness Thatcher, who I recall had enormous reservations about it.

A second key issue has to do with timing. The automated platform for the Post Office will be fed in to compensate for the loss of revenue from benefit work. If that is badly managed, enormous damage could be done to the Post Office system.

Another important factor would be the mechanism to ensure the maintenance of the system of sub-post offices, which benefits people all over the country, in both suburbs and countryside. There must be a proper system to evaluate any closure that is proposed.

I hope that the Bill concerning the Post Office will deal with those fundamental questions. Liberal Democrat Members consider that much of the rhetoric of the Government's programme is attractive, as far as it goes, but that there could be many problems in the small print. Many of the proposals will go through Parliament largely uncontentiously, but some will have to be opposed. We shall play our part in that.

12.7 pm

Mr. Geraint Davies (Croydon, Central): I add my congratulations to Cherie Blair and the impending new labour that she and my right hon. Friend the Prime Minister are about to enjoy. That is great news, and I am sure that all hon. Members will join me in extending good wishes to them both.

I take great pleasure today in supporting the Gracious Speech, and the themes of enterprise and fairness that it contains. I am also pleased that the debate today combines the concerns of trade and industry and of social security.

The first condition for economic success and therefore social investment is economic stability, which has been established already through the independence given to the Bank of England. However, the comments of the hon. Member for Tiverton and Honiton (Mrs. Browning) emphasised how unclear is the Opposition's attitude to the Bank of England's independence. The common-sense revolution now appears to mean no more than preserving the right to change one's mind about matters. The hon. Lady made it clear that what the Opposition oppose today, they may support tomorrow.

It is not possible to take the hon. Member for Tiverton and Honiton or her party seriously on that or many other issues, including Post Office privatisation. The general public will not understand the position of the Conservative party, although people will know that the Government's decision to make the Bank of England independent was the first step towards providing the economic stability that, among other things, has given employment to an extra 700,000 people. It now pays to work, thanks to the working families tax credit and the minimum wage.

It was noticeable that the Leader of the Opposition, in responding to the Gracious Speech, promised to turn to the economy "in a minute", but then never did. That illustrates that the Opposition have no idea of how to improve the country's economic performance so that the proceeds can be reinvested in our social infrastructure.

The Government have been in power for only two and a half years but the fruits of success are already emerging. The Opposition have described the extra £40 billion to be

invested in health and education as reckless and irresponsible. They are now wondering whether to eat their words, and wondering how to square the circle of the common-sense revolution, which commits them to continuous cuts in taxation and therefore, according to the previous Prime Minister, swingeing cuts in public expenditure.

The Queen's Speech contains a good combination of measures to help families and to help industry. The Child Support Agency has been mentioned. As a member of the Public Accounts Committee, I am glad that we are moving towards a simple percentage formula—something that I recommended a couple of years back. That is obviously a cruder method, but we must deal with the legacy of the CSA, where 85 per cent. of assessments are incorrect and 66 per cent. of the money due is not paid.

I welcome the new approach, and alongside it, the new commitment to a second state pension, a stakeholder pension and, at the top of the age scale, the minimum income guarantee for the poorest pensioners. That begins to develop a sophisticated approach, targeting public resources at the people most in need.

Economic stability is important, and many of the Bills before us will form the building blocks for trade and industry success. The Electronic Communications Bill, as has already been said, has been applauded by Bill Gates. Developments in e-commerce will, I believe, be much quicker than many people anticipate, and will have profound implications for transport planning, environmental issues and industrial issues.

More and more people may choose not to live in the south-east and not to commute to offices, but to work from home instead. The implications for society's infrastructure must be factored into our decisions.

I welcome the range of Bills, including the insolvency Bill, the Companies House Bill and the limited liability partnership Bill, which will help small businesses, among others, to operate more flexibly and more effectively. The Government must take account of the views of small businesses in all sectors of the industrial community, as they do not have the same interests as big business, which will want more regulation to be introduced to squeeze out competition and innovation in the small niche business sector, in which big business finds it so difficult to compete as it stomps around in the marketplace.

I welcome the move towards greater commercial flexibility for the Post Office, accompanied by a guarantee to customers of network provision and a limited risk approach by the Government to the commercialisation package. I do not agree with comments from the Opposition that wholesale privatisation is the way forward.

One of the examples mentioned was Railfreight. Market expectations were that more freight would move to rail, as any Government would inevitably have to limit road growth. Freight was therefore expected to become an increasingly profitable area within the limited confines of transport opportunities, but the previous Government simply gave away Railfreight and £250 million in public money. That was outrageous, and almost as bad as the case of Railtrack, which was sold for £1.9 billion and is now worth £8 billion.

Mr. Robert Syms (Poole): Does the hon. Gentleman accept that people who purchased shares did so in the knowledge that the Labour party would re-nationalise the industry—in other words, there was a degree of risk—and that the position of the Labour party at that time may well have depressed the share price?

Mr. Davies: I am extremely grateful for that intervention, which underlines the appalling action of the previous Government in selling off Government assets, as the hon. Gentleman acknowledged, at the depths of the market. Any responsible Government who were ideologically committed to selling off national assets should have had faith that the public would vote them back in—of course, they did not—in order for the Government to sell those assets at a premium price, which they did not. It was a case of a losing party deciding to spend public money in a disgraceful scorched-earth strategy.

Mr. McWalter: Does my hon. Friend agree that the privatisation of the Post Office poses as great a threat to rural postal services as the privatisation of buses posed to rural bus services?

Mr. Davies: Yes, that is a key point. Even the right hon. Member for Henley (Mr. Heseltine) performed a U-turn on that policy. People in rural communities were greatly concerned about any proposed privatisation of the Post Office, so the Government will not go ahead with it.

The privatisation of bus services had an appalling impact on the environment and on competition. Small regional bus companies were ejected from the marketplace by larger companies, which initially offered discount pricing and many more routes, but then, having forced the smaller companies out of business, they abused their monopoly position by reducing services, the number of buses and the quality and training of drivers and increasing fares. The net impact outside London was that the quality and quantity of bus services plummeted. Only in London, where the market is more controlled, did bus patronage increase. I am glad that my hon. Friend the Member for Hemel Hempstead (Mr. McWalter) has given me an opportunity to restate the Government's commitment to rural buses, as demonstrated by the additional £170 million that they have provided.

Transport was one of the main themes of yesterday's debate, but it is appropriate to refer to that subject in the context of trade and industry. In 1996, the previous Government issued a Green Paper that set out many good ideas, including a presumption in favour of the introduction of congestion charging. The Opposition have changed their mind—perhaps they got cold feet or gave way to reckless opportunism—but the Government have sensibly decided to go ahead with that policy. The Conservatives also invented the fuel duty escalator, which Labour inherited. Now, it is clear that any marginal proceeds from that will be hypothecated for other transport purposes, as will revenue from congestion charging. Unlike the Opposition, the Labour Government are committed to marginal hypothecation of revenues from congestion charges and any above-inflation increase in fuel taxation.

[Mr. Davies]

The public will give a warm welcome to that policy and to the extra £700 million committed to local transport initiatives, £600 million to the tube, £170 to rural bus services and £50 million announced last week for London bus services. Under new Labour, there has been an increase of 1,000 in the number of trains running every day. Britain is back on the move because we are investing in public services and public transport.

Those policies, along with our initiatives on trade and industry, the economic stability we have created, and our drive to make work pay, to enable those who can work to do so and to give security to those who cannot, add up to a wonderful package for Britain as we approach the new millennium. I commend that programme to the House and, indeed, to the nation.

12.18 pm

Mr. Robert Syms (Poole): Aside from their constitutional vandalism, the Government's theme so far has been to be interfering, busybodying and nannyish in their treatment of both the British people and British business, and this year's Queen's Speech displays the same themes as the preceding two. We have a Government who believe that Whitehall knows best, that the Government know best and that ordinary people do not.

In this year's Queen's Speech, people wanted a common-sense revolution. I am pleased that the Conservatives have advanced common-sense proposals and policies: I have always believed ideas are the foundation of any political debate, so I am sure that we shall have some interesting debates this Session. In the number of Bills they plan to introduce, the Government appear to have bitten off too much, so I am also sure that we shall have the same problems at the end of this Session as we had at the end of the previous Session, with guillotines imposed and Bills pushed through.

I have spent most of my life working in business, mostly small business, and I agree with the hon. Member for Croydon, Central (Mr. Davies): business does not always speak with one voice. Larger businesses, and the Confederation of British Industry, do not have the same agenda as small firms. If we are to become a successful knowledge-based, flexible economy, much of that must come from the bottom end, as it were, of the business environment—from smaller businesses rather than larger institutions.

When there is any question of social legislation and social change, it is important to listen to the voice of the small people as much as that of the big battalions, although the big battalions may be better organised, better at lobbying, better at attending dinners and better at putting their point of view. I have often heard Ministers pray in aid the CBI, but I do not think that it necessarily represents the views of all business, especially business at the bottom of the market.

The Government's record over the past two years has been one of implementing far more regulations—2,700, in fact. According to Chantrey Vellacott's business regulation index, of which we heard earlier, that is a 20 per cent. increase over those two years. Running a business is difficult. A business manager must deal with people, and they will not always be the easiest people; he must also deal with the banks. An increasing burden of regulation will consume a disproportionate amount of time and effort, especially in the case of small firms. Business managers must attend training sessions to ensure that they will be able to apply regulations and law correctly, and while they are doing that, they are not earning a living. They are not going out and securing more customers, and they are not providing the services that they are supposed to provide.

Many small business men in Poole tell me that they are spending more and more time trying to comply with regulations and red tape, and less and less time running their businesses. I admit that they made the same complaint under the last Government, who did not do enough to restrain the natural inclination of Governments to regulate and interfere; but I think that, if anything, the situation is worsening. We should be careful. At the end of the day, people must run their businesses, make a profit and pay their workers, and any burdens that detract from their ordinary, everyday activities will create many problems.

I will not list all the Government changes, but I agree with what was said by my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), particularly his comments about PEPs and TESSAs. Any party, when it takes office, is tempted to change or rebrand, and the present Government have changed many things that were working quite well purely for the sake of it. That is a great pity. The key is to restrain all that regulation and red tape, and throughout the current Session, Opposition Members will do all that we can to draw attention to the costs to small business and, indeed, to the country as a whole of an over-regulating, busybody Government.

At the beginning of the debate, the Secretary of State for Trade and Industry referred to the general economic situation. As usual, he attacked the Conservatives for some of the measures that we had to introduce in the last Government in order to get the economy into shape. Listening to the right hon. Gentleman, one could almost believe that everything had started in 1997, but in fact the recovery from the last economic downturn began in 1992. The present Government were fortunate enough to inherit a golden legacy of five years of growth and falling unemployment, along with an increase in tax revenue as a result of the growing economy. *[Interruption.]* I think that the record speaks for itself. We have heard today about the creation of 700,000 jobs since the election, and we welcome that; but it follows a trend that had already been established.

The present Government, like the last Government, are succeeding vis-a-vis Europe simply because we devote less of our gross domestic product to public expenditure than other countries, and try not to tax as much. The rest of Europe has not grown as much over the past 20 years because of the temptation both to spend more and to tax more. If I have a worry, it is that the Government have embarked on a course that will start to take us towards European levels of taxation and spending. Going in that direction will affect our economic performance, employment and all those other things.

Mr. Geraint Davies: Does the hon. Gentleman accept that his leader and the shadow Chancellor predicted a deep and damaging recession in Britain? They blamed it on the Government, but it was rooted in the south-east Asian financial collapse. Such global economic turbulence

did not occur in the 18 years of Conservative Government. Under more stable global conditions, the record was hopeless, with 15 per cent. interest rates and much higher unemployment and inflation.

Mr. Syms: Sometimes in the Chamber, we suffer from selective memory. I left school in the 1970s, when Britain was, to some extent, a basket case. I remember the previous Labour Chancellor having to turn back at the airport because of the International Monetary Fund and problems with Budgets.

There were world problems. Over 18 years, the British economy did immeasurably better. I do not say that all the Conservative party's judgments were right. We got some things wrong—perhaps the exchange rate mechanism was one—but the key point is that, overall, British economic performance, which pre-1979 was lagging behind that of our competitors, is at least measuring up to their performance. As we go into the next century, we may catch up many of the countries of continental Europe, which grew rather more in the 1950s and 1960s and which have had problems in recent years. Therefore, I do not accept the hon. Gentleman's argument.

When a party is in office for 18 years, it is easy to pick out one element of economic policy in that period. Eighteen years is a long time, as those on the Government Front Bench will no doubt testify. There may have been high interest rates, or particular difficulties, but, overall, impartial observers would say that the previous Government did make a positive contribution to the economy. I hope that the Government will continue that. I hope that we have a successful economic legacy and that we go forward with great success into the next century. I want my country to succeed, whether I sit on the Opposition or Government Benches. I believe in my country.

The key thing is that we have to be careful not to over-regulate, to over-tax and to go to European levels of taxation and interference. The Government have raised £40 billion more in taxation—some taxes by stealth, others more overtly—which works out at £1,500 per tax-paying individual. It is important to dwell on that. I believe that it is better to leave money in people's pockets. On the whole, individuals, families and businesses are better at spending money. The Government have to do some things, which we all accept, such as running the national health service, but, by and large, striking the right balance between taxation and the amount of gross national product that is taken by the Government and by individuals is important. There is a worrying trend in that regard.

The key thing is to keep the economy going. Opposition Members will express concern about the rising tax burden—I notice that the Gracious Speech contains no mention of Organisation for Economic Co-operation and Development statistics on that burden—and ensure that regulation is kept to a minimum. With the Opposition doing their job and the Government perhaps listening a bit more, particularly to small business men, the country may not do too badly over the next 10 or 15 years.

The Post Office was mentioned earlier. One critical factor is that the Department of Social Security will switch from paying benefits through sub-post offices to paying them through banks, which will cause many sub-post offices a problem. We know that the trend has been for more and more of those post offices to close—it has happened over successive Governments—but, if we are not careful, we will have a much more rapid rate of closure, with a loss of services.

Mr. Darling: May I correct the hon. Gentleman on that point? We are proposing that, from 2003, payments should increasingly be made by automated credit transfer, but at the same time we are giving the Post Office the ability to provide banking services, which it did not have in the past. That means that, if they want to, people will be able to get their benefits from either the Post Office or the bank, so we are helping the Post Office network.

Mr. Syms: I thank the Secretary of State for making that clear, but, as he will acknowledge, there is concern among sub-post masters about that change. For many areas, particularly rural areas, the sub-post office provides a social service as much as anything else.

The royal commission on long-term care has reported, but we do not know what action the Government will take. We all know that there are costs—certainly to the taxpayer—whatever Governments do about long-term care, but I hope that the Secretary of State may be able to give us some idea of when proposals will be introduced. I represent Poole in Dorset, where a lot of retired people live, and many of them have to go into care.

Long-term care is a key and growing issue with which the Government will have to grapple and the matter of elderly people having to sell their homes to pay for care is arising rather more often these days. It is inevitable that that problem will grow, because people are living longer and there are more owner-occupiers, but there is a strong feeling that the current system is unfair. Someone who has not contributed a penny and is fully supported by the state could end up in a home next to someone who has had to sell his house to pay for his care. Australia has a system under which a percentage of the value of any home is protected and I was interested and pleased to see that, in "The Common Sense Revolution", my own party has started to address that issue—perhaps through an insurance scheme—to ensure that some of the assets produced by a lifetime of hard work are maintained for the individual and his family. That is a key issue.

I shall not discuss parental leave at length, but no doubt the Secretary of State is aware of the campaign to persuade companies to pay for parental leave. We all have to take account of the fact that letting employees go on parental leave represents a cost for companies, even if they do not have to pay those employees, because they have to be replaced and their jobs covered. If there is any argument for paid parental leave, it is that responsibility lies with the Government rather than a particular company. If companies are forced to pay for parental leave on top of paying for cover, they will be paying twice. The consequence will be that women of child-bearing age or those married to such women will not be as successful in the labour market because employers will be wary of taking them on. Long-term care is the biggest issue for my constituents and the Government have to introduce proposals with a degree of urgency because whatever proposals they make, it will take some time to implement them.

Overall, the Government have confirmed my prejudices about their interfering in people's lives. We will be paying careful attention to their legislative programme to ensure

[Mr. Syms]

that the costs are pointed out to the public when they raise tax, and when they regulate and interfere. We shall do our best to stand up for British business and British individuals. Although we are not against many of the social benefits in themselves, we realise that one can have a big heart, but sometimes do people down, because implementing many regulations and benefits diminishes people's ability to get jobs. This will be an interesting Session and over the next 18 months, we shall have interesting debates on many of the important topics in the Gracious Speech.

12.34 pm

Mrs. Linda Gilroy (Plymouth, Sutton): I join those who have expressed good wishes to my right hon. Friend the Prime Minister and Cherie on the announcement of an addition to their family. I suspect that the phrase "Blair's babes" will never have quite the same meaning again.

I had the great pleasure of visiting Downing street yesterday with three young constituents—Kerrie, Stacey and Frederick, from Hyde Park junior school—and Members from both sides of the House representing seats in the south and the west. It was a memorable afternoon for them.

Mr. Bercow: I join the hon. Lady and other right. hon. and hon. Members in congratulating the Prime Minister and his wife. However, in the light of the announcement, does the hon. Lady think that that was what the Prime Minister meant when he talked about the year of delivery?

Mrs. Gilroy: I am not sure that he meant precisely that, although given the number of Bills in the Queen's Speech that build on the good work that we have been doing to tackle child poverty and eliminate it in the next 20 years, the Prime Minister and the Government have the concerns of children very much at heart.

The Government's first 30 months—924 days—in office have resulted in some very positive developments for people in communities and businesses in my constituency. Those developments were grounded in legislation outlined in the first two Queen's Speeches and will be built on by this year's Queen's Speech.

Conservative Members really are grasping at straws by saying that Britain needs any type of revolution. Revolutions are about radical transformation, but Conservative Members are simply doing what they are best known for doing: looking at the past, not the future.

There have been significant transformations in my constituency in the past two years. We had some of the United Kingdom's highest unemployment rates, but they have been slashed to the average. At the previous general election, more than 10,000 people were unemployed in the two key Plymouth constituencies, but that figure is now down by almost one half, to about 5,000. On fast-track punishment for young offenders, we are nearly down to the national target of 72 days.

My constituency is achieving the Government's targets on class sizes for five, six and seven-year-olds. More than 3,000 young people in my constituency were in classes exceeding 30 pupils, but that number is now down to fewer than 300, and we are well on track to getting it down to zero. We also have the benefits of a stable economy, low inflation and low interest rates, ensuring the highest-ever number of people in employment.

Significant transformations are bringing a new confidence, sustaining Plymouth's public-private voluntary partnership—the 2020 partnership—to plan, over 20 years, the pathfinder strategy to halve the number of Plymouthians living in the most deprived wards in England. The strategy will enable people to harness the opportunities of our triple-zone status, and promotes the spirit of partnership for which Plymouth is becoming so well recognised nationally.

One aim of the pathfinder strategy is to ensure an exceptionally pro-business climate for all those who are prepared to invest, and in which particularly micro and small to medium-sized enterprises flourish and contribute to the city's success. I agree with hon. Members on both sides of the House that, as the Government continue to make progress, we should ensure that the door is always open to small businesses so that they have an opportunity to express their views on regulation and many other aspects of business.

I assure sceptical hon. Members, who might think that the catalogue of progress I have described amounts to no more than warm words, that the pathfinder document produced by our partnership describes a highly focused package that is not only practical but seeks to do the right things well. However, the partnership—like the Government—does not seek now to do everything. Some people always want more proposals to be included in the Queen's Speech than could possibly be considered and implemented.

I welcome the Queen's Speech, as the desperately needed transformation of my constituency has only begun. I do not know where Conservative Members get the idea that they left a golden legacy. In 1995, one of the wards in my constituency was listed in the index of local conditions as the poorest in England. Although she apologised for her absence, I am sorry that the hon. Member for Tiverton and Honiton (Mrs. Browning) cannot be here now. She lives in the same county as me and it would have been good to hear her apologising for the previous Government's record, which caused those problems in my constituency.

It is a sad reflection on nearly 20 years of Conservative government that, in 1998, 19 per cent. of the Plymouth population—about 46,000 of the city's total of about 250,000—were among the most 10 per cent. deprived in the country. Our pathfinder strategy seeks to tackle that problem.

Today's debate is on those aspects of the Queen's Speech that deal with trade and industry and social security, which are two sides of the same coin. We recognise that social justice and economic efficiency go hand in hand. The proposals in the Queen's Speech are about enterprise and fairness. They are about enterprise in the measures to modernise company registration, to give flexibility to partnerships through limited liability status and to set down a framework that will allow electronic trading, e-commerce and e-communications to flourish. They are also about fairness, with measures coming from a Department that is bringing hope to many in my constituency who at long last can afford to work. The minimum wage, which was introduced in the previous Session, is an important part of the jigsaw that makes work pay.

A utilities Bill will be introduced this Session. It will seek to put consumers first and competition in its rightful place, which means serving consumers. In my constituency, paying for the two basic necessities of life—warmth and water—takes up a huge proportion of the income of the poorest constituents. Together, the bills for those items commonly gobble up 20 to 30 per cent. of their apparent income. Anything that brings further downward pressure on prices is, therefore, greatly to be welcomed.

As I have said, one in five of my constituents are in the poorest 10 per cent. of the country's population. Big bills hurt many more of my constituents than they do those of most Conservative Members. Perhaps that is why Conservative Members do not grasp that a real revolution and a real transformation is rooted in long-term difficult decisions rather than in quick fixes and knee-jerk reactions. Such difficult decisions require leadership with eyes fixed on a 20-year horizon rather than myopically on the next tabloid headline. They will be difficult decisions that require an understanding of when the vested interests of the few are playing to the gallery and pressing the buttons that play on fear and ignorance rather than showing how the changes that are opposed can be made to work for the many as well as, often, for the few.

Utility regulation is one aspect where such decisions must be taken. Under the Conservatives, there was often total confusion about the relative roles of regulators, Ministers and Parliament. As a result, there was uncertainty for business and consumers alike and higher costs of capital. Some consumer councils were too closely connected to the regulator, with too few rights and too little access to information. We need to do something about that. The utilities Bill will seek to remedy those problems.

I was surprised to hear the hon. Member for Twickenham (Dr. Cable) say that we did not know much about what will be in the utilities Bill. There has been very extensive consultation on its contents and there are now high expectations about what it will deliver. I am confident that it will place the interests of consumers first, will introduce new duties to help low-income utility consumers and will prompt further competitive benefits in a way that will achieve a fairer deal for consumers. It will develop competition that is a means to an end, that serves rather than dictates and that recognises social and environmental obligations.

The utilities Bill will set the framework for modern, transparent and accountable regulation. It will be modern by depersonalising the regulatory function and introducing a regulatory board. That should reduce the risk premium and the cost of capital and bring further downward pressure on prices. It will be accountable through new social and environmental measures to ensure that the industry takes its responsibilities seriously and that, where the market fails, regulation will surely follow. We desperately need those measures to wage war on fuel poverty.

I welcome much of what the Government have achieved in their first term in respect of fuel poverty and the introduction of the home energy efficiency scheme. However, given that 8 million households experience fuel poverty, and that double the national average in my constituency live in poor private rented housing—a key cause of that poverty—we need to harness all the means available to tackle the problem.

There will be a transparent framework which, as the hon. Member for Twickenham said, is needed to clarify the links between directors' pay and performance. I also hope that it will provide clarity when regulators explain their decisions and reveal their forward work programme and their means of consulting people and taking decisions.

As the hon. Gentleman said, we need more information in respect of the consumer voice which must be empowered to help achieve redress. As my right hon. Friend the Secretary of State for Trade and Industry said, far too few consumers are changing companies and becoming aware of the advantages that different companies can offer in the utilities sector. One reason for that is the fog of information, or indeed the lack of information, which makes it difficult for people to take decisions that are in their interests. I hope that the consumer councils will have access to independent information of a robust nature and will not be dependent on the regulators for that information. If the regulator is allowed to control access to any information, that information should be clearly defined and the regulator should be required to give full, clear and timely reasons for withholding information.

My constituents and I set great store by the delivery of Labour's manifesto promise to reform and modernise the regulation of our utilities. The utilities Bill will achieve that. First and foremost, it will deliver a fair deal for consumers, but it will also deliver a fair deal for businesses, for their aspiring competitors, for employees and for communities. It is important, too, that there should be a fair deal for future generations for whom we hold the resources of those communities in trust.

In the 13th century, the first trading standards weights and measures officers had simple and accurate scales as the tools of their trade. As we approach the 21st century, the goods and services that we enjoy are infinitely more sophisticated. The knowledge-based economy has been mentioned several times this morning. It demands sophisticated standards fit for the 21st century and better regulation that fits the future and not the past, thus meeting the expectations of the many sophisticated consumers of the new millennium and not those of people who seek to preserve the old privileges for the few.

This summer we experienced a total eclipse in Plymouth. Whenever the next election comes, I suspect that the Conservative soundbites will be totally blacked out by the steady implementation of our manifesto promises. I commend the Queen's Speech and I am confident that my constituents' lives will continue to be transformed by the forthcoming programme of legislation which it heralds.

12.49 pm

Mr. John Bercow (Buckingham): I would like to focus my remarks on two issues. The first is a prominent feature of the Loyal Address, but the second is a notable omission from it.

Let me deal at the outset with the subject of regulation. The House will be aware of what is included in the Queen's Speech on this subject. It states that, as part of the Government's drive—as though there were such—to address inappropriate and over-complex regulation, legislation will be introduced to increase the effectiveness of the power to remove regulatory burdens. In so far as that goes, the words are honeyed, and welcome.

[Mr. John Bercow]

Unfortunately, on this subject—as on a plethora of others—the Government have form. They have previous convictions, and those convictions are a long way from being spent. Labour Members of Parliament would be singularly unwise to suppose that the public had forgotten those unspent convictions. In particular, they can rest assured that business has not forgotten the unspent convictions in relation to over-regulation. We intend to ensure that business remembers them for a long time to come.

What is the track record? I shall take the House through it. Ministers may not enjoy being reminded of it, but they must deal with the results. In April 1997, the then shadow Chancellor, the right hon. Member for Dunfermline, East (Mr. Brown), in the foreword to Labour's business manifesto entitled "Equipping Britain for the Future"—there was a photo of the right hon. Gentleman at the top of the foreword to demonstrate his commitment—declared that Labour would

"not impose burdensome regulations on business, because we understand that successful businesses must keep costs down."

The sentiment was welcome, but within weeks of its utterance the Government had begun the process of betrayal, which has culminated, thus far, in an additional 2,700 regulations flowing forth from the machinery of Government since 1 May 1997.

On 7 November 1997, the hon. Member for Hornsey and Wood Green (Mrs. Roche)—then the Minister for Small Firms—told the House, apparently not in jest:

"We are moving purposefully and very speedily to bring about simpler government and cut red tape, which is a real barrier to growth for small businesses."—[*Official Report*, 7 November 1997; Vol. 300, c. 483.]

We are grateful to the hon. Lady for the apostolic conversion, which, as a member of the Labour party, she appeared at that time to have undergone.

Even then, however, the Government had ushered in a whole tranche of new regulations. While the hon. Lady's remarks might have been well intentioned, they were directly contradicted by the facts of the Government's record.

In one of his last pronouncements as Secretary of State for Trade and Industry, the right hon. Member for Hartlepool (Mr. Mandelson), told the House on 25 November—with the nearest approximation to a straight face that he could manage—that the Government

"have no intention of introducing any legislation that presents a burden on business and reduces the competitiveness of British firms."—[*Official Report*, 25 November 1998; Vol. 321, c. 214.]

We were grateful to the right hon. Gentleman, except that the record flagrantly violated his words on that occasion.

What is the record? As a number of hon. Members have pointed out, it is so far a record of massive increases in regulatory burdens and cost. Some 2,700 additional regulations have spewed forth from a Government risible for their lack of business experience or sensitivity to the needs of industry and commerce.

A number of my hon. Friends and others have pointed to some of the examples. There is the working time directive—£2.3 billion of extra costs for business, and a mere 45 days' notice from the right hon. Member for Hartlepool of the content of the 71 A4 pages of regulations which business would then be obliged to introduce. The national minimum wage added a further £2.7 billion a year of costs to business, and a mere three weeks' notice was given to business to grapple with the 112 A4 pages of regulations with which they had to come to terms and to which they needed to give effect.

Mrs. Gilroy: If the minimum wage protection was really damaging to jobs, Cornwall, which has had some of the lowest wages in the country, would have had very high levels of employment. That has not happened. Does the hon. Gentleman recognise that one person's red tape is another person's social protection? Will he say something at some point in his speech to those whose social protection he seeks to slash?

Mr. Bercow: I am in favour of social protection. The best means by which to achieve it is to have a thriving economy. We need an enterprise economy, a dynamic economy, an economy characterised by the creation of small businesses and the advance of their cause. I have to tell the hon. Lady in all candour that if she believes that the motor of economic advance and extension of business opportunity is raising wage levels, I do not agree with her. We shall make a judgment in due course about the extent of the damage that has been done and we shall come forward with a proposal on the minimum wage accordingly. However, that it has increased wage costs and presented businesses with great difficulty is not in doubt.

Mrs. Gilroy: Is the hon. Gentleman in a position to say whether the Conservatives support a minimum wage?

Mr. Bercow: I am genuinely taken aback that, 18 months or two years before the next general election, the hon. Lady apparently expects me to give her an advance copy of the Conservative election manifesto. I have no intention of doing anything of the kind, although I understand why she seeks to divert attention from the legitimate and growing chorus of complaint against the over-zealous regulatory policies of the Administration that she supports. She should remember that 99.6 per cent. of firms in this country employ fewer than 100 people, that between them they employ 50 per cent. of the private sector work force and that they account for two fifths of national output.

Those businesses are not assisted by the Government's regulatory policies; they are held back and retarded by them. Examples abound across the board, for which the time in this debate does not allow. There is the child care credit, the disabled persons learning credit, the student loan repayment administration regulations and the working families tax credit. None of those measures is helpful to business and all of them, regardless of their other intrinsic merits or demerits, have one feature in common: they shuffle responsibility from central Government to beleaguered businesses, forcing the latter to become unpaid tax collectors and benefit distributors. In no way can even an authentic representative of new Labour argue that that is beneficial to small businesses,

which are the engine of economic growth. They are the seedcorn of our present and future prosperity. They are what we depend on if we are to be successful.

Mrs. Gilroy *rose—*

Mr. Bercow: I have already given the hon. Lady two opportunities. I have politely to say that she has mucked them both up. She cannot realistically expect me at this stage of my speech to give her a third chance. If she is patient, I might give her another stab at it a little later.

The regulatory burden is very high. Hon. Members will be aware that I am always anxious to be helpful. Accordingly, on 27 April this year I presented a ten-minute Bill, supported by several of my hon. Friends, to reduce the burden of regulation on business. That seemed perfectly sensible.

My first proposal was that there should be an annual statement to Parliament on the costs to business of regulation and on the Government's plans in the ensuing year to reduce that cost. My second was that there should be a six-monthly report to the House on the progress of deregulatory initiatives. My third was that there should be a review of all existing regulations to see where gold-plating of European directives and regulations was taking place courtesy of British Government Departments and the all-knowing civil servants working in them. My fourth was that small businesses—which are the great majority of businesses in this country—should be exempt from the most damaging regulations. My fifth proposal was that the Government should institute a policy of sunset provisions by which regulations would automatically expire or lapse on a given date—perhaps three or five years after their enactment—if Parliament did not judge them worthy of putting back on the statute book.

I took my cue in that from the experience in the United States. I hope that the Minister has, in his short tenure of his post—on which I congratulate him—studied the Regulatory Flexibility Act 1980 and the Small Business Regulatory Enforcement Fairness Act 1996, which represent the American model. Those measures are profoundly helpful to small business. The United States has a magnificent record in the generation of private sector jobs, overwhelmingly through small firms.

Instead of looking to the continental example, which represents a good way of destroying jobs, as recent evidence testifies, we should learn from our American friends. I hope that the Minister will attend in detail to the merits of the American legislation with a view to its transposition, with appropriate amendments and allowance for national customs, to Britain.

The Secretary of State for Trade and Industry, under pressure in debate from my right hon. Friend the Member for Wokingham (Mr. Redwood), agreed to look at my Bill and comment on it. Some weeks later, he said that he saw some merit in sunset regulation. It is a sign of the complacency of Labour Members and of the way in which they take pride in exiguous achievements that they think it a cause for celebration that the Secretary of State has inserted one titbit of a measure into the Electronic Communications Bill to allow for future sunset regulation. They think that that is game, set and match. They think that it is clever politics, as it facilitates a little spin, might gain a headline and provides a cheap debating point, but there is all the difference in the world between a temporary advance, with a small step of minimal significance, and permanent steps representing substantial advances with long-term significance.

My Bill, which drew on the experience and wisdom of many of my colleagues as well as on multinational experience, represented a positive step in the right direction at an opportune time. If Ministers are not worried by the fact that businesses continue to complain about the massive burdens on small business, they are foolish. They should be seeking to do something concrete about it, but the evidence is that they are not.

It is not surprising that, a fortnight ago at the CBI conference, Sir Clive Thompson complained that the Government shimmy to the right, dance to the left and are then away, as he put it, increasing costs and regulations, making life more difficult for business and reducing the flexibility of companies to adapt to changing circumstances. That is a damning indictment of which the Government should take note, as Sir Clive knows a thing or two about business interests.

Only this week, the estimable City commentary in *The Times* drew attention to the fact that the Government had failed "spectacularly" to get it right. It said that they were making life more difficult and increasing the burden, and did not appear to realise the seriousness of the situation that their actions and inertia alike had created.

I hope that we will not have complacent words or, worse still, no response from Ministers. They cannot continue arrogantly to pretend that everybody else is wrong and they are right. The CBI, the Institute of Directors, the British Chambers of Commerce, the Federation of Small Businesses and the Forum of Private Business, to name but a few, are united, whatever their other differences on public policy, in condemnation of the Government's over-zealous regulation. Ministers have a responsibility to consider the issues intelligently, to accept blame and to do something.

It is not good enough, either, for the Secretary of State to strike a reasonable tone that is not matched by action. The present Secretary of State is good at striking a tone of reasonableness, but unfortunately—unlike, I am pleased to say, the Prime Minister's wife—he does not deliver.

That is an unfortunate state of affairs. The right hon. Gentleman said earlier this year either to *The Daily Telegraph* or *The Sunday Telegraph* that the Government had not got it right on regulation. In a speech to the British Chambers of Commerce in June he heralded a major advance in deregulation, and he gave me the impression—no doubt it was just a sop to shut me up—that the Government would introduce substantial sunset regulation.

However, the Government simply have not done those things. They talk about the drive to address inappropriate and over-complex regulation as though that undesirable phenomenon had wafted into their presence and was in no way a consequence of their own conduct. Yet they are to blame for the present situation. They have been in office for 31 months, and it will not do for them to blame other people for their own inadequacies. Their failure to deliver is increasingly being identified, and it is more strongly resented throughout the country with every day that passes.

[Mr. Bercow]

Another issue that is important to trade and industry and to the country as a whole, but which represents a notable omission from the Queen's Speech, is the euro—or, as I ought to say, the Government's proposed abolition of our national currency in order to enter the euro.

The Queen's Speech mentioned working for economic reform in Europe, achieving open markets, securing greater growth, new job creation and so forth, but there was no mention of the euro or the single currency. I am no conspiracy theorist, but I think that there is something significant about that omission. I happen to believe, and I hope that my hon. Friends agree, that the biggest attempted confidence trick in modern British politics is the Prime Minister's claim that he is open-minded about entry into the euro.

Nothing could be further from the truth. The Prime Minister decided long ago that he was determined to scrap the pound and join the euro as soon as he thought he could get away with it. Some people might say, "If that's a confidence trick, it isn't very effective because it hasn't conned me, and it hasn't conned my colleagues." It is not designed to do so. As I am sure that my hon. Friend the Member for Havant (Mr. Willetts) will agree, the intended victims are not Conservative activists, political journalists or hardened sceptics about the euro, but the British people.

That is why the Government have erected an elaborate smokescreen of spurious economic tests, contradictory ministerial statements, perplexing front groups, misleading Government advertising, deceitful lobby briefings and diversionary attacks on alleged xenophobes. Those are all part and parcel of a deliberate strategy by the Government to close down any serious debate about the most important economic and political issue that has confronted this country since our accession to the European Economic Community—or rather, the Common Market—in 1973.

That is why we hear so much of the supposed—I use that word advisedly—five economic tests. Surely by now the House must be aware that none of those tests is objective, none is measurable and none is capable of independent assessment. There are not five economic tests that the country has to pass before joining the euro. For the Prime Minister there is only one, electoral, test: whether a majority of the British people can be bamboozled and brainwashed into ditching the pound and joining the euro.

In the short term, that does not look likely. The most recent poll, commissioned by my hon. Friend the Member for New Forest, East (Dr. Lewis) and undertaken by ICM, asked, "Do you think that Britain should replace the pound with the single European currency?" It was a very straight, fair and unspun question. The answer: 64 per cent. said no and 27 per cent. said yes. That is a notable improvement on the 56 per cent. opposition and 32 per cent. support recorded in an exactly comparable poll 12 months previously.

So, it would appear that the Government are losing ground. There is reason for optimism, but, for those of us who are sceptical about this dangerous enterprise, there is no excuse for complacency. None of us should underestimate the sheer determination of the Prime Minister ultimately to get his own way. Let us make no mistake, the Prime Minister is hellbent on dragging Britain into the euro, with a cost that he will not calculate, for a benefit that he cannot quantify and at a risk to the self-government of the British people that he dare not admit.

Why is there reason to be anxious about such a prospect? There are three reasons. The first is that entry to the euro automatically entails a huge arrogation of powers from this country to the institution of the European central bank. That bank is charged, legally by treaty, as right hon. and hon. Members know, with the operation of monetary policy in euroland and the setting of the European interest rate.

We need at least to reflect on the composition of the ECB's governing council. It comprises three Germans, two Dutchmen, two Finns, two Frenchmen, two Italians, two Spaniards, a Belgian, an Irishman, a Luxembourger and a Portuguese. What do they all have in common? They have in common—I say this, as my hon. Friends will understand, not pejoratively but as a statement of legal fact—no responsibility to promote or safeguard the interests of the British economy. Rather they are charged with responsibility for the pursuit of the European economic interest, as they, subjectively, in their best judgment, perceive it.

No one should underestimate the power of those gentlemen or ladies. For, under article 108 of the treaty of Amsterdam—the treaty so foolishly signed by the Government—the central bank is exhorted, no, obliged, not to seek or take instruction from any outside body about the conduct of monetary policy or the establishment of interest rates.

Moreover, the treaty goes on significantly and ominously to add:

"governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks."

The House should recognise that, if we were to enter the European single currency, the cost of mortgages and the price of business borrowing, to name but two subjects—subjects with which one would have thought democratically elected members of the British legislature could legitimately preoccupy themselves—would henceforth be determined permanently by people whom we did not elect, whom we could not remove and whom it would be illegal to seek to persuade of our point of view. That is not democracy; that is the antithesis of democracy.

It is critical to convey to the British public that the argument about whether we join the euro is not some minor technical debate about an instrument, a device or a means by which to facilitate an easier life for tourists or a saving of half a per cent. on the gross domestic product for business men as they face transaction costs. The treaty makers of Maastricht did not incur mass unpopularity in their own countries and endure the agony of pushing it through their respective Parliaments for that purpose. They did nothing of the kind. They did it because wider objectives were at stake.

The second concern about entry into EMU is the prospect of tax harmonisation—a point made continually by Conservative Members. History shows very clearly that currency unions, to be sustained, almost invariably have required the existence of a central authority making

fiscal disbursements. In the United States, where there is very substantial labour mobility—some 7 million people each year move from one state to another to obtain work—30 per cent. of the cost of regional economic downturns typically is borne by fiscal transfers from federal funds. Those transfers are possible because of the existence of a central tax authority.

Labour mobility in the EU is much lower. Long ago, the MacDougall report for the European Commission calculated that monetary unions typically require 20 per cent. of GDP to be disbursed from the centre, and that an absolute minimum of 5 to 7 per cent. of GDP would be required to be disbursed from central funds within euroland in order for the single currency project to be sustained.

The European Union is already involved in indirect taxation and in taxation of business and savings. The danger, and the overwhelming likelihood, must be that, once the single currency is up and running, the EU—eventually if not immediately but as sure as night follows day—will seek to arrogate to itself the powers of taxation and expenditure. That would be in accord with the wishes of the European Parliament which, in seeking to raise its status from flyweight to heavyweight, has already called for a direct relationship between European institutions and the European taxpayer.

The third reason for disquiet about early entry into EMU is that, as I hinted earlier, it is about politics, not economics. It is only we British who, in our peculiar and rather stubborn fashion, persist in debating this matter as though it were mainly about economics. On the continent, politicians and bankers do not merely admit to but positively rejoice in the political motivation behind the European single currency project.

The House need not take that just from me, estimable and upright member of the community though I try to be on behalf of my Buckingham constituents. The House should take it from those who know.

For example, Dr. Otmar Issing, former Bundesbank president, has said that there is no example in history of a lasting monetary union that was not linked to one state. Willem Duisenberg, president of the European central bank, has said that EMU is, and was always meant to be, a stepping stone on the way to a united Europe. Gerhard Schröder has noted that the risks will remain, especially if the bold step that led to a single currency is not followed by further bold steps towards political integration.

Finally, Romano Prodi, President of the European Commission, has said that the euro can only lead to closer and closer integration of countries' economic policies. Alarmingly, he went on to add, in a somewhat threatening tone, that that would demand that member states gave up more sovereignty.

Some trusting souls among Labour Members may say, "Those are just the high-falutin' pronouncements beloved of the continental statesman. We should read into them no great significance for their practical effect."

Anyone so naive as to think that should note the remarks of someone closer to home—former Irish Prime Minister John Bruton. He has said that political unity of purpose will be crucial if the euro is to work, and that member states will not be able to dine à la carte at the European table any more. Mr. Bruton maintained that Europe must develop political institutions with sufficient democratic legitimacy to demand sacrifices of Europe's peoples and to mobilise them in a common cause.

Is it not a sad commentary on our affairs that we need to turn for guidance on these matters to the wise pronouncements of the Eritrean ambassador to the United States? I do not know his name. If I did, I am not certain that I would be able to pronounce it, but I pay tribute to that wise gentleman. His country had been through a bloody war with Ethiopia. It came to mint its own currency, and that gentleman said that an independent nation with its own policies needs its own currency to implement its decisions. That distinguished ambassador should probably be made an honorary member of the British Conservative party. How wise he was.

To those who say that there is no alternative, that the euro is inevitable, and that Britain will have to go into it, I say that that is a counsel of despair and it is intellectually dishonest. If they want to argue the case, let them do so openly, but let them not pretend that there is something automatic and inevitable about British participation. There is not.

To be effective, a single currency zone requires the existence of a common identity, a common purpose and a common willingness to make equal sacrifices to achieve that purpose. None of those conditions currently applies to this country in relation to euroland. The power of self-government, the right to hire and fire our rulers, and the capacity freely to shape our own destiny as an independent nation are inalienable birthrights of every Briton. They should not be traded in for a mess of potage, otherwise known as a back-row seat at a show called "The Heart of Europe."

Even under this Government, Britain has achievements of which to be proud. We are the fourth largest economy in the world. We are the second biggest overseas investor, with £1,666 million worth of assets invested overseas, 78 per cent. of which is outside the European Union. We are third most attractive location for inward investment, after the United States and China. Even under the depredations of the Government, we have thriving industries in oil, telecommunications, civil engineering and financial services.

I regret that the Government have not had the honesty to refer to their plans for the euro in the context of this Queen's Speech, and are seeking to dumb down the political debate on this topic, as on so many others. This country can be and should be an independent nation. The future is bright; the future is global. The success of this country in the future depends not on artificial constructs such as the European single currency, but rather on the capability, the determination and the energy of our leaders, our businesses and our work force.

1.23 pm

Mr. Steve Webb (Northavon): It is always a pleasure to follow the hon. Member for Buckingham (Mr. Bercow). Indeed, I spent most of the past 34 minutes looking forward to the moment when I would follow him. I suspect that we agree on almost nothing, but I enjoy the way in which he presents his case.

I had thought to remark that a debate such as this gives us an opportunity for a more measured exchange of views, and the possibility of trying to influence Government policy, away from the fevered atmosphere that

[Mr. Steve Webb]

surrounded, for example, the passage of the Welfare Reform and Pensions Bill. I was tempted to remark that it was a chance to make my observations when no one else was listening. I had not realised that that would be quite so nearly literally true.

With reference to the social security legislation in the Queen's Speech, I shall deal with each aspect, concentrating first on the state second pension proposals. I believe that the Government's heart is in the right place, but that the delivery mechanism will not deliver. I want to probe the extent to which the Secretary of State is willing to reflect on the detail of what he is proposing.

The hon. Member for Plymouth, Sutton (Mrs. Gilroy) mentioned the total eclipse that took place over her constituency. My fear about the state second pension is that there will probably be another total eclipse before it has any impact, such is the slowness of the pace at which it is to be implemented.

As I understand it, even if the legislation is passed quickly, it will be some years before the first year of entitlement is credited or achieved, some years more before the state second pension reaches its final form, and decades before it starts to make its mark. Towards the end of the previous Session, the Secretary of State answered a question about the impact of his policies—not mine, which he kindly describes as "mad". Indeed, I received a response to the right hon. Gentleman's comments, from a gentlemen who is not a constituent of mine, which read, "Dear Mr. Webb, I understand that you have some mad pension proposals. Please can I have details?" However, I shall leave aside my proposals for the time being.

The Secretary of State says that by 2025—a quarter of a century hence—his policy of replacing SERPS with the state second pension will add £1.30 a week to the incomes of the poorest fifth of pensioners. Those are his figures, not mine, based on his assumptions, not mine. My back of the envelope calculations tell me that £1.30 achieved over 25 years accrues at 5p a year. I realise that the Government are taking other measures, but let us consider only the Bill to replace SERPS with the state second pension. Given that the Secretary of State and I want to help the same people—carers and those in low-paid employment—does he not accept that that pace of progress is too slow? I put it no more strongly than that: a reasonable man should be able to accept that 25 years at 5p a year is too slow.

Let us consider what can be done. Even if the Secretary of State is reluctant to accept any change in the principle of his proposals, it should be possible to implement them more quickly. In Committee, I shall table amendments to ensure that we do not have to wait an entire working lifetime before people receive their full entitlement under the state second pension. Is there any way in which people can be brought faster into the new scheme? If the scheme is designed to help those who are carers or low paid now, why do they have to wait 20 or 30 years before they derive meaningful sums from the scheme?

The Secretary of State will tell the House that those earning £4,000 or £5,000 a year get next to nothing out of SERPS. He is right, but why do they have to wait decades before getting something out of the new scheme? I hope the Secretary of State will accept that that criticism is intended to be constructive. If we accept the Government's policy that there must be state involvement in second-tier pension provision, we should ask them to implement it more quickly so as to help the very people whom they intend to target.

I understand that the proposal is to be introduced in two stages and that, when it is fully implemented, it will provide a relatively bad deal to those on, say, £15,000 a year. The scheme is targeted on low earners, so those on higher earnings will be discouraged from remaining in it and encouraged to take out a stakeholder pension, but they will not be compelled to do so. There is a real risk that people on, say, £15,000 will have had their state second pension entitlement devalued by the emphasis on the low paid, and will end up with a grotty pension if they do not opt out.

If those people are well advised or understand the system, they will probably not fall into that trap, but what if they are not or do not? In the absence of compulsion, what will make people earning three quarters of average earnings opt out? If they fail to opt out, they will be penalised. Is that really what we want to happen? If the idea is to force people to take out stakeholder pensions, is not some element of compulsion necessary in respect of people earning that sort of income?

The Secretary of State might say that people will not make the wrong choice because it should be obvious when they should take out a stakeholder pension; he might even set up sweeteners to encourage them to do so. However, only yesterday, I received an e-mail from a pensioner in my constituency who has only just learned of the widows SERPS issue. The House has been discussing that issue for months, it has featured in press articles for the past year or more and the relevant provisions have been on the statute book for 14 years, yet one of my constituents has only just found out about it.

Against that backdrop of the public's lack of understanding of pensions, leaving people on modest earnings to understand what a grotty deal the second state pension is designed to give them and hoping that they will take out a stakeholder pension but not requiring them to do so is a dangerous step. I hope that the Secretary of State will consider whether some form of compulsion is necessary—albeit not to cover the entire income scale, because I understand the arguments in respect of the very low paid. Is it enough simply to leave people at certain income levels to make the right decision and to hope that they do so?

Mr. Willetts: Does the hon. Gentleman suspect that many in the industry believe that the Government intend to make the stakeholder scheme compulsory? That is the only logical interpretation to place on the policy that has been announced over the past few months.

Mr. Webb: I believe that that is what will eventually happen, although the Government are hoping against hope that they will not have to do it. I think that they hope that the scheme will prove to be a popular product—a mass product—and that the number of marginal cases will be too small to warrant compulsion. I do not believe that they will get away with it, however, and I think that the self-employed will present a real problem.

I offer those comments when "no one is listening", in the hope that the Secretary of State will feel able to amend the Bill before we see it—before we know that there has been a U-turn—in the interests of good government and good pensions policy.

I approve of the Government's intentions in regard to the Child Support Agency. I think that their heart is in the right place. As I said earlier, however, I am not convinced that their proposals will work in practice. The short history of the CSA demonstrates that the first formula did not respond sufficiently to individual circumstances. Having been introduced, it was found to create many rough justices, and people could legitimately claim that it was providing the wrong answer. As a result, the Government of the day had to introduce another Act to allow, for example, departures from the formula to cope with individual circumstances. The precedent is that an approximate formula creates rough justice. The proposed Bill, however, features a formula that is far more rough and ready than anything envisaged before, and I fear that it will create even more rough justice.

The Government have promised to keep the matter under review, and that is welcome; but I do not believe that we can go on and on reforming the Child Support Agency. We must get it right this time, or all credibility will be lost.

Mr. Dismore: I am sure that the hon. Gentleman has had an opportunity to look at the report of the Select Committee on Social Security, in which the Children's Society states:

"Although it has an element of rough justice, it appears to be the best compromise between clarity and fairness".

Does the hon. Gentleman disagree with the Children's Society?

Mr. Webb: Yes, I do. I am aware that opposition to the legislation is not common, but that should ring bells in the minds of all Members in view of the history of the CSA. Everyone agreed that it was a good thing, and no one dared stand up and say that it was not; then we all realised—all parties were partly responsible for this—that it was a blunder. I hope that the Secretary of State will appreciate that a nagging voice raising genuine concerns about the possible consequences needs to be heard now, before it is too late.

I see the CSA as a tyre that has been worn thin, and patched again and again. The time comes when a tyre cannot be patched any more, and needs to be thrown away. I believe that there is an endemic culture in the agency that is beyond reform. Let me give an example. Recently, two of my constituents—absent parents on income support—were told by the CSA, after complaining about the lack of progress in the granting of maintenance, that they should not worry: it would not make any difference, because they were receiving benefit. That was factually inaccurate in any case, because if those people obtained jobs again, the fact that they had been receiving maintenance would help, and, indeed, would make it easier, for them to obtain jobs. It was extraordinary for the agency to say "It does not matter whether you receive maintenance, because you are on benefit." That, I think, is typical of the CSA culture—and I do not believe that changing the formula, or changing the graph, will change the culture. I believe that the agency will have to go.

Mr. Bercow: I am grateful to the hon. Gentleman for giving way to me. I know that I kept him waiting for some time, but his remarks are of genuine interest to me, and to other Members.

Does the hon. Gentleman agree that, although it is important for parents to honour their obligations, it is vital in the first instance to establish beyond doubt who is the parent? Does he accept that my constituent, who insists that he is not the parent of the child concerned and who faces a heavy monthly bill that he cannot afford to meet, has reason to be aggrieved about the fact that only after many months of protest and involvement by his Member of Parliament has he been able to secure a DNA test allowing him either to prove that he is right and that he is not the father, or to be shown that he is wrong and that he is?

Mr. Webb: Certainly, proving parenthood needs to be dealt with swiftly. If a father denies parenthood and a DNA test proves that he is the father, he should have to bear the costs of that test, but, in either case, the matter has to be resolved quickly.

On the CSA, there is much that is welcome. In my maiden speech in the House, I called for a child maintenance disregard—yet another example of an aspect of my maiden speech that has become law, so I am heartened by that—but my underlying concern is: if the reform fails, where can we go from there? Can we tweak the formula again? My concern is that, essentially, it is our last chance. The hon. Members for Lincoln (Gillian Merron) and for Hendon (Mr. Dismore) made thoughtful and informed contributions on the matter and the reform has welcome aspects, but my concern is that there will be too much rough justice.

I give one final example. I understand that the formula is to give exceptions; it will not be just income. It is a Government myth that three bits of information will be required. Dozens of bits of information will be required; we all know it. I bet the House that the form will not be a one-side sheet of paper. Something tells me that there will be pages of it, notwithstanding the claims of simplicity.

I read that one exception in the formula arises where a debt has been incurred in the interests of the child. Take, for example, the case of a couple who are happily married and not anticipating divorce. The husband takes out a car loan after he is offered a job. It requires him to drive, so he takes out the loan in good faith.

The couple then divorce. The husband has the onus of the loan. If he does not make the payments, he will lose his job and cannot pay any maintenance. I ask a genuine question of clarification. Will that count as expenditure in the interests of the child? If so, that is a welcome exception in the formula. If not, is that not a reasonable prior claim on his income before the maintenance formula kicks in?

That is just one case. I suspect that there will be many. A crude, simple formula may not take account of circumstances, may create injustices and may not help children to get maintenance.

Mr. Dismore: As I understand the hon. Gentleman's position, he is saying that the CSA should be abolished, yet he is not saying what he would put in its place. What is his view about that?

Mr. Webb: I would be more than happy to set out in some detail what we would put in its place. In brief, the Liberal Democrats have taken the view that the previous

[Mr. Webb]

court system had many failings in terms of the level of maintenance assessment and the variations between courts, but that a court-based system is not inherently wrong. One of the things that people dislike most about the CSA is the standardised letters, the remoteness, the fact that they are not having their day, that their case has not been heard and that their circumstances have not been taken into account. That feeling will get worse under the proposed formula. Many absent parents and parents with care will say, "What about this feature of my case?" and they will be told that it is irrelevant.

We believe that a new court-based system that takes account of such matters, within parameters and guidelines—there have to be guidelines—and that is enforced effectively is a better way forward. I could go on at some length, but it is not appropriate.

Mr. Dismore: Will the hon. Gentleman give way?

Mr. Webb: No. It is not appropriate to go on any further on that point.

My initial reaction to benefit sanctions for people who do not adhere to community service orders was that it was gesture politics. It was talking tough on something that would not save the taxpayer significant amounts of money. It will almost certainly be counter-productive, but it might win a good tabloid headline.

That was my ill-educated view on the issue, but the National Association for the Care and Resettlement of Offenders has said that the measure

"makes no sense as a way of tackling crime. Plunging offenders further into poverty"—

which is what is being proposed—

"must increase the temptation to commit theft, burglary or street robbery, so damaging, not improving community safety."

There are similar quotes from the National Association of Probation Officers and—from the horse's mouth, if you like—from someone on the new deal. When asked on a recent BBC radio "File on Four" programme what would happen if his benefit were stopped, he said that he would do

"what everybody else does, most probably go out and rob or something".

If people who have already committed offences, some, no doubt, of theft and other means of obtaining money falsely, are suddenly faced with being £40 or £50 short, the chances that the measure will be in the interests of public order and of the victims seem impossible. It is in the interests only of talking tough, not of being effective. I hope that the Secretary of State will reflect on that and not introduce such an ill-conceived measure.

My next point straddles the Departments of Trade and Industry and of Social Security, and has already been mentioned once or twice. It is about the Post Office network's position in view of the decision to start withdrawing over-the-counter benefit payments in 2003. I met several sub-post masters and mistresses last night. Despite the Secretary of State's assurances, they are far from reassured about the prospects for their businesses in the coming year. I am glad that the Secretary of State is present to respond to the debate and I hope that he will tackle their genuine anxieties.

The Benefits Agency has given assurances that there will be no further push towards automated credit transfer before 2003 and that it will not try to force people to start a bank account. However, last month, the Benefits Agency wrote to people whose child benefit is paid weekly to encourage them to have it paid monthly. That would cut three quarters of the handling charges from the Post Office. The Benefits Agency included a form for bank details to enable benefit to be paid through the bank. Post masters reported to me that people had come to post offices and said, "I've filled in that form so I won't be getting my benefit from you." The post masters asked why the customers had filled in the forms and they replied, "Because we had to." The letter gave people the impression that they had to change to bank payment. Will the Secretary of State confirm that he knows about the letter, that it has been withdrawn and that there will be no further moves to bank transfer before 2003?

What will happen in respect of post offices in 2003? It has been suggested that benefit recipients will have their money paid into a bank account. Therefore, we must assume that clearing banks will accept accounts for people who have small amounts of money. Many of those people will take money in one day and take it all out the next. In other words, they are unremunerative customers.

Last night, it was suggested to me that customers would lose out if banks started charging heavily for withdrawals. I hope that the Secretary of State can assure us that benefit recipients who transfer to a bank, open a new account and have minimal cash balances will not have to pay bank charges out of their modest incomes. What sort of fees will post offices, especially rural sub-post offices, receive for handling those transactions? They currently receive a predictable stream of fees from the Benefits Agency. Will the Secretary of State assure us that banks will be willing to pay them large sums for handling rather unprofitable accounts?

The way in which the Department tackles benefit fraud relates to the overlap between the Post Office and benefits. I was told that pilots of the benefit payment card had taken place in Bristol. The card has subsequently been withdrawn. I was also told that benefit fraud was cut by 90 per cent. in a specific office during the pilot scheme. Sub-post masters and mistresses found the benefit payment card to be an effective anti-fraud tool. It has been withdrawn because the contract was a shambles. What will replace it?

Reform of the Benefits Agency always gets a big cheer in the House. The Government deem reform to be good; a new, modern system is, apparently, inherently good. However, reform per se is not good; the details have to be scrutinised. Reform of the pension scheme is grindingly slow; reform of the Child Support Agency may create more injustice than it corrects. For those reasons, the Liberal Democrats have grave anxieties about the social security measures in the Queen's Speech.

1.44 pm

Mr. David Willetts (Havant): I am pleased to see so many of my hon. Friends present on the third day of debate on the Queen's Speech. My hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) summarised it well. Sadly, I was not here in time to hear my hon. Friend's whole speech, but the key words gave me its flavour. They were: regulation, costs, burdens,

dogmatic, dog's dinner, damage, opportunistic, vacuum, cock-up, red tape, farce and incompetence. Who am I to disagree with my hon. Friend's forceful critique of the Queen's Speech?

I want to focus on the social security aspects of the Queen's Speech and Government policy on social security more generally. The Queen's Speech promised us the next instalment of the Government's welfare reform agenda and I must hope that they have a happier time with their forthcoming Bill than they had with the Welfare Reform and Pensions Act 1999. May I offer the Secretary of State some advice? In the past two years, the Government got themselves into most difficulties with the so-called welfare reforms for which there was no clear strategic vision or underlying principle supporting what they were trying to achieve.

When the Government got into their troubles with single parents, they caused confusion to their own side because it was not clear whether they were signalling that they expected single parents to work. They got into their more recent difficulties over disability benefits because it was not clear how their approach to the savage means-testing of disability benefits was compatible with their claims about encouraging pensions and savings. It is important to have some sense of direction for and a strategy behind the so-called welfare reform agenda.

As the Government get deeper and deeper into welfare reform, our fear is that, instead of achieving a clearer sense of their strategy, they are becoming more muddled and confused. The direction in which they are trying to take the social security system, and why they are doing so, seems less and less clear. I hope that the Secretary of State will enlighten us on some of the big questions on which the Government's philosophy is becoming less clear as every week passes. One, of course, is the contributory principle and the future of national insurance, so I am pleased to see in the Chamber members of the Social Security Committee from both sides of the House.

It is possible to construct an authentic third-way argument in favour of the contributory principle by saying that it is rooted in our political culture and all to do with rights and responsibilities. A striking number of people still think of their national insurance contributions as giving them an entitlement to benefits—most obviously, the retirement pension—and to health care. That gives them a self-confidence as consumers that would be lacking if they felt that there was no contractual basis for what they were expecting to be delivered in return. There is a good, clear argument for the contributory principle, but the Secretary of State might want to argue that it is a load of actuarial mumbo-jumbo, that few people can see any real connection between the size of their contributions and their ultimate entitlements, and that as part of modernisation—we heard that word a lot during the Queen's Speech—it has to be swept away.

I think that Members on both sides of the House would like to know what is happening, one way or the other. We cannot have increasing confusion and uncertainty about what the Government think about this important subject. If they carry on in the way that they have so far, contributory benefits will survive in nominal form, but they will gradually disappear as they are submerged by a rising tide of means-tested entitlements. That will not do as a serious approach to so-called welfare reform. Perhaps the Secretary of State will enlighten us on that.

There is also the whole question of the Secretary of State's approach to means-testing. We remember the attacks made by Ministers on means-testing when they were in opposition. When the Secretary of State came to the House only the other day to make his uprating statement, he made bold claims about how he would take pensioners out of means-tested benefits. As the hon. Member for Northavon (Mr. Webb) has pointed out today and on other occasions, claims have been made about how the state second pension will take people out of the means test, but it seems that an awfully long run-in will be required before anybody feels the effects. Meanwhile, an increase in the minimum income guarantee for pensioners in line with earnings and an increase in the basic pension in line with prices were announced. The uprating statement brought tens of thousands more pensioners within the scope of means-tested benefits.

There is increasing confusion and uncertainty about how the minimum income guarantee will interact with the stakeholder pension and the new state second pension, but it is very important that future pensioners should know on what basis they are saving. If they are saving simply eventually to find themselves caught in a means test, by which their savings are penalised at up to 100 per cent., it will not be a very good deal to offer them. It is very important that they should know the basis on which the Government are formulating their pension strategy.

Mr. Webb: The hon. Gentleman mentioned next April's basic state pension uprating of 75p. I advise him that I and other Liberal Democrat Members will vote against the uprating statement—will Conservative Members join us?

Mr. Willetts: Our policy has not been that we should necessarily vote against the uprating statement. Our questions will be on the scope of means-testing for pensioners, and the effect that that will have on pensioners' savings.

We are able to discern already the effects of means-testing on savings in the catastrophic decline in the savings ratio, which is the economic background against which any social security debate has to take place. Conservative Members believe that the best way of financing future pension provision and, if at all possible, other social provision is by genuine private savings. The savings figures, however, are extremely worrying. In the second quarter of 1997, when we left office, people saved 10.6 per cent. of income, but that percentage is now down to 5 per cent. That is a very significant decrease in the savings ratio.

Part of the decrease could be explained by cyclical economic factors that drive savings, but that is not the full story. It is clear to anyone who talks to people working in the pensions industry and trying to encourage people to save that planning blight, uncertainty and confusion are also driving a retreat from savings products that were developed in the past 20 years, under a very favourable regime—a supporter and sponsor of which, my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), I am pleased to see in the Chamber.

We certainly do not want catastrophic declines in the number of people taking out new personal pensions. The latest Association of British Insurers figures show a fall of more than 10 per cent. in new personal pension provision. Such developments are taking us in the wrong direction.

[Mr. Willetts]

I hope that the Secretary of State will also tell us in his reply exactly when we might be given the details of the regime for stakeholder pensions. It is absurd that, although the House has passed legislation on stakeholder pensions, we still have not been given any indication of the final regime. It would be a great pity if we were asked to debate and vote on proposals for a state second pension in conditions of similar uncertainty.

It would be far preferable if we could know in advance what we are supposed to be legislating on. If anything brings the House into disrepute, it is—despite the best efforts of my hon. Friends who served on the Standing Committee that considered the Welfare Reform and Pensions Bill—passing such general provisions without being able properly to scrutinise them, simply because the meat of the proposals is not available. I hope that the situation will be better in our consideration of the state second pension.

I wonder also whether the Secretary of State will feel a slight twinge of guilt about what, in their manifesto, he and other Labour Members promised the nation on second pensions. The manifesto stated:

"Labour will retain SERPS for those who wish to remain in it."

The Government's current policy to abolish the state earnings-related pension scheme and replace it with the state second pension does not seem entirely to match the manifesto on which they were elected. Moreover, as we know from events earlier this week, Ministers attach great importance to people's commitment to the manifestos on which they were elected. It would be interesting to hear—if they were asked to explain why they abandoned part of a manifesto on which they fought an election only two years ago—how they defended that U-turn.

Perhaps—while we are on the state second pension—the Secretary of State will explain rather more fully than he has been able to do so far the significance of the £9,000 limit. Below £9,000, people will essentially have an unfunded entitlement to the state second pension, whereas—as the hon. Member for Northavon said—there seems to be an expectation that, in the long term, people above £9,000 will not be in the state second pension. That looks like a form of social exclusion. It appears as though we shall end up with two pension regimes, with a clear cut-off at £9,000. It will be interesting to see how anyone with less than £9,000 and the purely nominal entitlements will ever build up a pension fund in future. Those are my questions about the pension provisions that we expect to see in the social security Bill.

We have heard many comments about the Child Support Agency. I listened with care to the speech of the hon. Member for Hendon (Mr. Dismore) who is a member of the Select Committee on Social Security, which produced a valuable and useful report on the subject. I thought that the hon. Gentleman was rather complacent in his promises about how the new regime would solve all the problems that the old regime had undoubtedly experienced. Those of us who remember the way in which the CSA developed know that one can start with high hopes and aspirations, but then be trapped by severe practical problems. I hope that the hon. Gentleman does not regret his easy optimism that the new formula will solve every problem and that, suddenly, CSA cases will cease to cause such distress and trouble to our constituents.

Mr. Bercow: Is my hon. Friend aware that my mother takes a keen interest in the pronouncements of the hon. Member for Hendon (Mr. Dismore)? Despite the hon. Gentleman's best efforts and today's lucubrations, my mother did not vote for him at the last election and is exceedingly unlikely to do so at the next.

Mr. Willetts: Perhaps my hon. Friend's mother will have an opportunity to vote for Mr. Finkelstein. I do not know whether he will be the candidate in that constituency or elsewhere in north London.

Mr. Eric Pickles (Brentwood and Ongar): He is standing in Harrow, West.

Mr. Willetts: He is standing there, is he?

I should like to make three points about the CSA. First, one of our frustrations when analysing the Government's social security problems is the dearth of clear figures on gainers and losers. At the heart of any serious attempt to change social security must be a gritty analysis of gainers and losers. I am afraid that virtually no Government publications on social security since they were elected have frankly and openly confronted the question of who gains and who loses. We will not be able seriously to reform child support without confronting the question of who gains and who loses. We need to know much more fully than we have been told in either the Green Paper or the White Paper who will lose and by how much.

Secondly, I want to know why we shall not have the proper proceedings on a draft Bill that so many people had hoped for. The report of the Select Committee on Social Security says:

"We are disappointed that it has not proved possible for the Government to fulfil its earlier intention of publishing its Child Support proposals in the form of a draft Bill."

It adds that

"we recommend that the legislation on child support should be committed to a Special Standing Committee in order to enable its Members to take evidence directly on the details of the legislation, which they will then proceed to debate and (if they wish) to amend."

Although the Select Committee carried out a full investigation of the subject, it did not think that its work was a substitute for such pre-legislative scrutiny. Does the Secretary of State accept that proposal, which was made by Labour Members and others on the Select Committee?

My third point is about criminal and civil sanctions. Of course, for people who persistently and obstinately refuse to co-operate with the CSA, one ultimately needs some criminal sanctions. However, we must ask whether more could be done to collect money efficiently before we have to consider criminal sanctions. It is easy to get headlines by talking about severe criminal penalties, but it is not clear what will be gained from putting the man—it normally is a man—whose income one needs behind bars. The one thing that we can be sure of is that sewing up sacks and receiving a bit of money for it will not make a significant contribution to the maintenance of his children. Therefore, it is much better to improve civil remedies to extract money before one reaches the stage of criminal proceedings. We want to hear what more the Government will do about that.

One of the problems that the Government encountered this year with their legislation was the odd little ideas that came to them as a Bill was passing through the House, and which were added at a late stage without any clear scrutiny and without much thought in advance. The notorious IR35 is the most conspicuous example of that. We hope that there will not be an equivalent to IR35 this time round. If the Bill has a broad title and Ministers smuggle in extra provisions on Report or later, it will be a great pity if they are as ill thought out and as damaging to British business and the economy as IR35 will prove to be.

Does the Secretary of State envisage any changes to housing benefit? There have been front-page stories in the newspapers about the Government introducing bold reforms on housing benefits. At one point we were promised such reforms this autumn, but the Secretary of State has gone rather quiet on that recently. Will he assure the House that if there are no housing benefit proposals in the Bill when it first appears, there will still not be any when it concludes its passage through the House?

We have heard much about reviews of the capital rules and means-tested benefits. How are they proceeding? Can we expect provisions on changes to the capital rules? We would be interested to know whether there will be changes to sickness pay as a result of the scrutiny of statutory sickness pay. We would also like to know more about the recent announcement on community service orders. The Government sound tough and draconian, but one wonders how many people will eventually lose benefit because of their failure to comply with a community service order. The interesting and important question is: how many people does the Secretary of State expect to be penalised under that provision?

We have had a long and thorough debate. We have heard distinguished contributions from both sides of the House, especially from my right hon. Friend the Member for Sutton Coldfield, and my hon. Friends the Members for Poole (Mr. Syms) and for Buckingham (Mr. Bercow). What they have in common is that they believe that the welfare system should be reformed and that we should save money on social security if possible, but that there should be a clear, strategic purpose. Sadly, the further the Government embark on their social security changes, the less any clear strategy is apparent.

2.2 pm

The Secretary of State for Social Security (Mr. Alistair Darling): The debate has inevitably been wide ranging, as the Opposition have chosen, as is their right, to link trade and industry and social security in one debate. The connection is not immediately obvious, although fortuitously the two areas combine enterprise and fairness. The Opposition probably did not consider that when they grouped the two topics together.

As the House will appreciate, I want to concentrate on social security matters. My right hon. Friend the Secretary of State for Trade and Industry will have taken careful note of what was said on trade and industry matters for which he has responsibility. There will be a number of Second Reading debates on trade and industry and social security legislation, so many of the issues not covered today can be dealt with in greater detail then.

The hon. Member for Havant (Mr. Willetts) said that welfare reform is necessary. I am sure that we could stop there and all agree on that. However, he is right that the problems arise when we consider the detail. We will get absolutely nowhere unless we are prepared to face up to the fact that the present welfare system is not working, is out of date and was designed for a world 50 years ago that was different from today, that it needs to be reformed, and that if we do anything to improve things, we will bump up against some hard decisions and run the risk that some group somewhere will take offence.

I knew right from the time I was appointed that whatever I did would cause some controversy. I have no doubt that the Bill containing further steps to bring the welfare system up to date will cause controversy and will face opposition from some quarters, but I will not shrink from that. The worst possible thing for any Government to do would be to run away from the challenge of bringing our welfare system up to date.

The hon. Member for Havant said that he could see no clear direction in our policy. He would say that, although it does not seem to be his principal concern. His principal concern seems to be to oppose whenever he sees a quick chance for opposition. Our philosophy is clear: we want to bring the welfare state up to date and make it fit for the next century; we want to ensure that all those who are able to work do so; and, at the same time, we want to provide security for those who cannot work.

We inherited a social security system that, despite all their rhetoric, cost the Conservatives some £40 billion more after 18 years in government than it did when they took over the system. Despite that increased expenditure, one in three children were living in poverty—three times the number in 1979—one in five households of working age had nobody in work and one in five pensioners had to rely on income support. I take those three statistics in isolation, but anyone looking at the system can see that it resulted in many people being written off, especially children. We know that children who are born in poverty are likely to be held back, possibly for the rest of their lives, and chances are that households with no one in work represent the second or third generation of people in those circumstances. When so many pensioners rely on income support because they have had no chance of saving during their lives, anyone would say that reform was necessary.

Our first objective was to help people to help themselves by ensuring that all those who can work do so. The hon. Member for Poole (Mr. Syms) took up a theme that was first raised by one of his hon. Friends. However, given that we have halved long-term unemployment, that youth unemployment is down by two thirds, that there are now 700,000 more people in work than there were at the time of the general election, that some 200,000 vacancies are being notified to jobcentres every month and that there are 1 million vacancies in the economy, any reasonable person would conclude that the Government's efforts through the new deal, the reduced starting rate of tax and the benefit changes that have been made have been effective and people who hitherto have been written off—often along with their families—are now in work. There is a clear sense of direction and a clear distinction between us and the Conservatives, who have opposed every single measure that we have taken to get people into work.

The second strand of our approach was to provide more help for those in need. I make no bones about it. The

[Mr. Alistair Darling]

state's primary obligation must be to help those most in need. That is why the Welfare Reform and Pensions Act 1999 does more to help the severely disabled, who, until we made those changes, were living on so little benefit that they were dependent on income support for their entire lives. We have increased child benefit and done more to help poorer pensioners.

The third strand is to provide for the future. I shall return to pensions later in my speech. We are the first Government ever to have pledged to end child poverty within a generation. We do not believe that any society can function economically or morally if so many children can be written off without being given any help or opportunity.

We want to provide a welfare system, backed up by policies across Government Departments and elsewhere, to help those who can work to do so and to make sure that those who cannot work—either because of disability or because they have reached the end of their working lives—have a decent income. At the same time, we are bringing the social security system—the actual means of delivery—up to date. It is common ground that for years the Department of Social Security and its agencies have relied on IT equipment that is long past its sell-by date and is in desperate need of renewal.

I now turn to the first point that the hon. Member for Havant raised, as I have no doubt he will return to it. He referred to the contributory system. He spoke about confusion, but the Tories in power doubled the amount of means-testing in the social security system. They are now against it and tell us that it is a terrible thing. They are also committed to slashing social security expenditure, to which I shall turn shortly. However, if they want to get rid of means-tested benefit and have more contributory benefits, they must realise that a cost is involved. It is important to ensure that the state concentrates help where it is most needed. Crucially, the social security system is judged on outcome—on what it does. That concerns people rather more than how the benefits came to be delivered.

We have strengthened the contributory system in many respects. We have extended contributory benefits to men and enabled low earners and carers to qualify for the second state pension. We have extended maternity allowance to women earning £30 a week and incapacity benefit to disabled people in childhood. We do not have a dogmatic preference for one means of benefit or another. We have increased universal child benefit, and we have increased fivefold the winter fuel allowance for pensioners. We have extended the non-contributory disability living allowance and, for those on income-related benefits, we have made increases—the working families tax credit, the national minimum wage and so on.

I do not have a dogmatic preference. The benefits system in this country has, since its inception, been a mix of contributory benefits, means-tested benefits and payments based on extra costs—DLA, for example. Successive Governments have followed that pattern. Of course, they have made changes from time to time, but it is the outcome that bothers people.

Curiously—for perhaps the first time in a social security debate—the hon. Member for Havant did not mention social security spending. I wonder why he did not mention it. I always like to see what he has to say. At the Conservative party conference, he was condemning our alleged failure to control social security spending, which he called a

"catastrophic failure of financial control".

He went on to say:

"The first Conservative pledge I give this conference is that we will cut social security spending as a proportion of our national income. We did it before and we can do it again".

I found that quite curious. In the Tories' 18 years of power, social security spending as a proportion of national income rose by a third. He said that they would cut it as they did before, but they increased it. It strains credulity for him to say that the Conservatives would cut spending on the basis that they did it before, when they manifestly did not.

Social security spending grew by 90 per cent. in the Tories' 18 years in power. At the same time, poverty grew and the gap between rich and poor grew because the Tories were paying more and more for economic failure. I suspect that the hon. Member for Havant did not mention that, because he is now aware that, in this Parliament under Labour, social security spending—including the working families tax credit and the record increases in child benefit—will grow by only 1 per cent., compared with 4 per cent. in the last Parliament. He will not mention that because he knows that he was skating on thin ice when he spoke at the Tory party conference.

The hon. Member for Havant knows that his party is skating on even thinner ice. The Conservatives have pledged to slash social security spending—as the hon. Gentleman and the Leader of the Opposition have said again and again—but they cannot tell us what they are going to cut. If they are to make huge inroads into social security spending—which they did not manage in 18 years—at some stage they will have to say which benefits they will cut. They will have to tell us also how on earth they can pledge to cut social security spending when, in the other place, the Tories backed £4 billion worth of amendments to the Welfare Reform and Pensions Bill.

If the Tories reinstate the married couples allowance, it will cost more than £2 billion. If they reintroduce the idea, floated at the last election, of a single transferable allowance, that will cost £3 billion. The hon. Member for Havant has a lot of expenditure to finance before he sets about slashing social security expenditure. Of course, he does not wish to intervene.

Mr. Willetts *rose—*

Mr. Darling: The hon. Gentleman does wish to intervene. Will he tell me which social security benefits he intends to cut to fulfil his first pledge to the Tory party conference?

Mr. Willetts: I stand by my pledge at the conference: we are committed to reducing social security spending as a proportion of GDP. Will the Secretary of State confirm that he has offered a definition of social security spending in which, he said explicitly, he included the working families tax credit? I was grateful to him for using that

definition of expenditure—it is the one that the OECD recommends. Does he agree that that is the best measure of social security expenditure?

Mr. Darling: I was explaining how much social security spending is growing. It is growing at just over 1 per cent., compared with 4 per cent. under the Tories. The Tory complaint has always been that we do not include this, that and the other. I am simply pointing out that even taking account of the many improvements to the system that we are making, we are saving money. Interestingly, we have saved some £7 billion so far as a result of getting more people back into work, and we will save another £7 billion before the end of this Parliament. That can all be spent on families, pensioners and disabled people, which is what the majority of people in this country want.

The Welfare Reform and Pensions Act, which was introduced in the previous parliamentary Session, provides more help for those who need it most, such as disabled children. It introduced bereavement allowances, stakeholder pensions and the new ONE service that will help people back into work. Those measures, in addition to the other steps that we are taking, such as increased investment in education and health, will mean a fairer and more enterprising society that will generate the wealth necessary to meet the country's needs.

Mr. Bercow *rose—*

Mr. Darling: I was about to turn to this Session's Bill, but I shall give way—if not happily—to the hon. Gentleman.

Mr. Bercow: I am grateful to the right hon. Gentleman for giving way. He is rather glib in his comments. What assessment has he made of the regulatory impact on businesses, in particular small businesses, of the child care credit, the working families tax credit and the disabled persons learning credit? They are matters of central significance to small businesses the length and breadth of the land, not least in my Buckingham constituency. What assessment has the right hon. Gentleman made of the damage that will be done, and what will he do about it?

Mr. Darling: The Government publish assessments for all such measures when they publish their proposals, as the hon. Gentleman well knows. I know that he and his colleagues want to get rid of the working families tax credit, the disabled persons tax credit and just about every other bit of help that we have given to people on low wages. Most people believe that these measures—which mean that work pays for many people where it never did before because so much of their salary went in deductions—are a good thing. Our reforms are also a good thing for employers, in Buckingham and just about everywhere else. It is increasingly the case in many parts of the country that more people are needed in the labour market because the economy is expanding. In some parts of the country, because of the changes that we are making, many people now work who were unable to do so in the past.

Clearly, the time to debate the detail of the social security Bill that we intend to introduce this Session will be on Second Reading, in the not too distant future. However, I can outline our approach in general terms and deal with some of the particulars that were raised.

We propose to reform the Child Support Agency—it is part of our drive to tackle child poverty. I believe that the changes to the child support system will benefit 1 million children, once the reforms are fully in place. We are also introducing further help in child benefit, child maintenance, income support and the disregard for the working families tax credit. All such measures are geared to ensure that children have the best possible start in life and get the help they need.

We are also promoting mutual rights and responsibilities, which has been a constant theme of our welfare reform programme. Opposition Members frequently criticise us and say that we should talk about child support in terms of which parents win and which lose. To my mind, the key question is which children gain. Children should be at the heart of any strategy on child support, and my starting point is that all parents have responsibility for their children. One or two of my hon. Friends have mentioned difficulties connected with the CSA. One said that some parents thought that the procedures were so complicated that they were somehow justified in not co-operating. I do not accept that for one minute, because parents have responsibility for their children.

We are proposing further pension reform to complete the stakeholder pension reform started last year. The hon. Member for Buckingham (Mr. Bercow) referred to regulations. I have made it clear again and again that the regulations necessary to implement the stakeholder pensions will be in place by April of next year, a year before the stakeholder pensions are put in place. We have consulted widely, and our proposals are well known in the industry. Although I expect Conservative Members to be critical of anything we do, the approach that we set out in the Green Paper, and which has been developed on stakeholder pensions, has by and large been widely welcomed by the pensions industry, which will be providing the pensions, as well as by all other bodies.

Mr. Leigh: Will the right hon. Gentleman give a commitment to the Select Committee? Paragraph 106 of the report says:

> "The importance of effective computer systems cannot be exaggerated. We recommend that the new child support scheme should not be implemented until the new computer system is fully operational."

I am sure that he agrees that we do not want any more traditional computer foul-ups. Will he give a commitment to members of the Select Committee that he will abide by that recommendation?

Mr. Darling: The hon. Gentleman is right on cue, because I was about to deal with the child support system and I am happy to deal with his point straight away. He is right. The computer system currently operating in the Child Support Agency was bought—not quite off the back of a lorry, but not far off that—by the Conservatives when they were in government. I understand that it came from someone in Florida who had a system that was going to be ideal—no questions asked, it would be just the thing. As we all know, it turned out not to work terribly well. To that extent, it fits quite well with some of the rest of the computer equipment that the Conservatives purchased over the years, because most of it was not up to the job when it was introduced and still is not up to the job.

[Mr. Darling]

When I made a statement introducing the White Paper, I gave a commitment to the House that we would not introduce the new reformed child support system until we had the information technology and computer systems to back it up and make it work. It would be possible to operate some of the new support system without new IT systems, but if we are to change the culture of the place and the quality of the service, we need a new IT system. I hope that we shall be able to make an announcement about that next year. The hon. Gentleman has raised a good point.

I should like to deal with some of the points that have been raised about the CSA. The hon. Member for Northavon (Mr. Webb) talked about the formula. The proposals for taking 15, 20 or 25 per cent. of earnings are a generalised approach. We thought about the issue long and hard. Anyone who has children knows that it is impossible to calculate down to the last penny how much it costs to bring them up. We can only approximate the amount. Our philosophy is that it is better to get money flowing from the parent without care into the hands of the parent with care as quickly as possible. We published a ready reckoner at the back of the White Paper which shows how much people will have to pay. The aim is to get the calculation made and the money flowing within days rather than the months that it currently takes.

The hon. Gentleman expressed a fondness for the old court system. I started out in practice and I know that justice was sometimes a loose concept in the courts when such cases were heard. I remember appearing before crusty old judges and trying to explain what the benefits system was, never mind how much the amounts were. They would eventually reach the judgment of Solomon and split the difference. Maintenance was calculated but often not collected because of the difficulties. It is wrong to suppose that the court system worked and delivered money to children.

The Liberal Democrats also have to face the fact that if the system was transferred to the courts—about 1 million cases—it would not be a free good. It would cost in administration and legal aid. I do not know how many pennies in the pound on income tax the Liberal Democrats will want to add by the next election, but I assure the hon. Gentleman that his proposals would be expensive. I know that the Liberal Democrats do not run the country and, as things stand, there is precious little chance that they will ever get to do so, but if they ever did, they would have to have policies that worked and work out how to finance them.

Mr. Dismore: I remind my right hon. Friend that the Chairman of the Social Security Committee is a Liberal Democrat and he is fully signed up to the report.

Mr. Darling: I know the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) well. Within the Liberal Democrat party there are many different views on everything. When we come to discuss the CSA, I hope that the hon. Member for Northavon will reflect on the practical effect of what he is saying. Surely the crucial thing is to get maintenance flowing to children as quickly as possible.

The hon. Member for Northavon and others mentioned the benefit payment card. We did not proceed with it because it was costing far more than anyone had anticipated, it was running three years late and there were formidable problems with the technology. We decided to provide the Post Office with a banking capability and that, from 2003, we would move to making payments by automated credit transfer which is cheaper—I make no bones about that. At present, the Department pays too many benefits through giros that were designed during the second world war, and we need to bring the system up to date.

The hon. Gentleman asked about the letter sent by the Benefits Agency two weeks ago. That letter has been going out in one form or another since 1982.

Mr. Webb: Is it still going out?

Mr. Darling: Yes, because we ask people from time to time whether they want to revise their arrangements. We want to ensure that the transition is manageable so that the Post Office can provide the service that we all want.

I will deal with pensions only briefly because we will debate them at greater length on Second Reading and beyond. The Government's policy is clear: we believe that moderate and higher earners would be better off having funded pensions than relying on state pensions. The state second pension effectively doubles the rate at which those on low earnings, who certainly should not be in funded pensions, accrue their entitlements. For example, someone earning £6,000 a year would get £13 a week under SERPS, but more than £50 a week with the state second pension. That is the best possible way of helping the lower paid.

We believe that those on higher pay should be in a funded system, with an occupational, stakeholder or personal private pension. Private pensions are better suited to those on higher earnings because of their high administrative charges. Our philosophy is to ensure that all those who work throughout their lives will have the opportunity to build up a decent pension and avoid the situation that exists now, with too many people retiring on inadequate pensions.

The hon. Member for Havant referred to our manifesto and SERPS. The changes that we are making will be much better than SERPS. Those who supported us in the general election will be glad that we have gone a lot further than we said in the manifesto. We will return to all these issues on Second Reading and in Committee.

The Queen's Speech covers more than the two Bills. Today's debate has encapsulated the Government's twin themes of building an enterprise economy and creating a fair society. That is what people wanted when they voted for us. They wanted an end to the boom and bust of the past. They wanted a stable economy, with businesses growing and individuals doing the best that they can; but they also wanted a fair society in which those who had lost out under the Tories could be looked after far better than in the past.

The people who supported us in the general election wanted us to end the scourge of mass unemployment. We have reduced youth unemployment by nearly two thirds, and there are now more people in work than ever before. We are driving up standards in schools, helping people to get better qualifications and to do better.

The contrast between us and the Conservatives could not be clearer. We are building economic stability; they left us with a doubled national debt and an unstable

economy. We are building strong public services; they wanted to privatise them. We are providing opportunity for everyone, not just the privileged few; they were increasingly concerned with just the few. We are taking the tough decisions that we need to take to reform the welfare state and modernise our institutions. In short, we are building a country fit for the future, whereas the Tories left us with a country that was run down and in which an increasing number of people were excluded.

The Queen's Speech represents the policies of the future—the policies that we need for the next millennium—as opposed to the policies of the past. I commend it to the House.

Debate adjourned.—*[Mr. Betts.]*

Debate to be resumed on Monday next.

Employment Relations Act 1999

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

2.30 pm

Mr. Alan Keen (Feltham and Heston): It gives me great pleasure to speak about the implementation of the Employment Relations Act 1999, and I can give no better example of the difference that it will make than that provided by a dispute in my constituency.

I congratulate my hon. Friend the Minister for Competitiveness on his relatively new appointment; it is the first time that he has been at the Dispatch Box when I have spoken. I have a great deal of contact with many of his former colleagues in the Communication Workers Union, and when I told them that he was doing very well in his job as a Minister, especially in dealing with employment relations, they sent a message. At first I thought that it said, "Well, we always thought that he must be good at something," but then I realised that they did not mean that. I am sure that they really meant, "He must be really good at something like that"—and I am sure that he is.

I am pleased that my hon. Friend the Member for Ealing, Southall (Mr. Khabra) will be able to say a few words before the Minister replies, and I am also pleased that my hon. Friend the Member for Hayes and Harlington (Mr. McDonnell) has offered his full support, although he cannot be here because he has a prior engagement. Many of his constituents are affected by the dispute.

The case that I shall use to illustrate the benefits of part of the Act is the current dispute taking place in my constituency close to Hatton Cross, just outside Heathrow airport. Tomorrow, Saturday 20 November, will mark one year since that long and difficult dispute started with the dismissal of 273 members of the Transport and General Workers Union for holding a one-day strike.

The strike was an official and lawful dispute, and the union and the members had jumped through hoops to ensure that they complied fully with all legislation on industrial action. Yet a legal loophole was available, and the company, LSG Lufthansa Skychefs, took advantage of it and sacked all the strikers. That loophole will be closed when the Act comes into effect in April, and strikers in lawful disputes will be protected for eight weeks from unfair dismissal. It will never again be so easy for irresponsible managers to act in such an arbitrary and unfair way.

Despite all the months that have passed, the strikers, many of whom are my constituents, continue to pursue their dispute and their campaign with dignity, honour, and a determination to win. I am proud of their conduct in the dispute, and of their strength and their unity. It has been a long and hard struggle, and in such a dispute everyone is affected—the sacked workers, their families, and the wider communities of Cranford, Southall and Hayes. Many families are suffering enormous hardship, risking their homes and now facing winter fuel bills again, and life out in the cold on the picket line.

For the employer it is almost business as usual: the company immediately replaced the sacked strikers with a mixture of agency, short-term contract and permanent staff. One year after it sacked an entire work force its new employees are saying that they are suffering the same

[Mr. Alan Keen]

treatment as the others—promises on pay remaining unfulfilled, changes to rostering and poor management attitude. Those are the features that started the dispute in the first place.

The one-day strike on 20 November was an action of last resort, following months of negotiations on proposals to introduce flexible working patterns. The employees had agreed to try out the new system on a trial basis in exchange for a deal on sharing the savings, but the negotiations on the productivity deal broke down, despite the use of conciliation by the Advisory, Conciliation and Arbitration Service.

The employers failed to honour the status quo agreement, then they failed to deliver the promised 1 per cent. pay increase. Finally, they refused to go to arbitration. Only then did the union ballot for industrial action, for which there was a large majority: 75 per cent. were in favour.

Within hours, couriers worked their way round the Heathrow area delivering letters of dismissal. As that happened, other union members came out in support, and met the same fate. The final count was 273 dismissals. After that, numerous efforts were made by the TGWU to arrange talks with Lufthansa Skychefs, through ACAS, through myself and through many other concerned parties. Those efforts were rebuffed and the company offered jobs back, but only on the basis that employees accepted the imposed terms—and, of course, with a timetable that victimised the most active trade union members.

The climate of industrial relations was anything but fair in the months leading up to the dispute. Only this summer, three race discrimination cases were settled by the company following separate incidents of racial discrimination. Nothing that the group of sacked strikers has done warrants such behaviour by a responsible employer.

Lufthansa Skychefs is part of a multinational corporate giant. One of the key owners is Lufthansa German Airlines, which in turn is part owned by the regional German Government in Westphalia. Lufthansa German Airlines promotes social partnership and dialogue, but it appears that that applies only in Germany and not in the United Kingdom. Strong employment rights and national consensus about the value of partnership at work mean that a dispute of such scale and duration would never be permitted in Germany.

In Britain, even though our Government promote fairness at work, workers still face managers who are reliving previous decades, during which the Government of the day were ruthlessly bent on destroying employee and trade union rights. It is clear that our Government's work has started to change the climate of industrial relations, but the Tory legacy of macho management lingers on—not least, of course, in Lufthansa Skychefs.

I urge hon. Members to join me in condemning the actions of Lufthansa Skychefs in failing to show any commitment to settling the dispute, and in calling on it to negotiate on the right that my constituents still aim to win: to return to their jobs. The dispute is about basic trade union rights—dignity and respect at work. Those are basic human rights. I urge hon. Members to join the boycott of Lufthansa German Airlines and our protest at the owners of the Heathrow kitchens, in order to ensure that this is the first and only anniversary of the dispute.

In December—this will be very familiar to the Minister—I always visit my local sorting office to show my support for the postmen and women in the busy run-up to Christmas. On my way there last December, I called in on the Skychefs picket line. I was shocked and pleasantly surprised to see at least a dozen women and many men already on the picket line at about quarter to 6 on a freezing cold morning. I was also on the picket line on Christmas day, along with more than 100 of the sacked workers.

On such occasions I have never seen anything other than a friendly gathering of people. Obviously, there is some shouting when lorries move in and out of the factory, but that is only to be expected. The people concerned have acted with dignity despite the problems that they have faced. I have been told in the past couple of days that some of the sacked workers have been holding a candle-lit vigil close to the home of Skychefs general manager, Tim Otteridge. I have doubts about the wisdom of such action; every action of course has a reaction, and that is why it is vital that the strike is settled before too long.

It is very easy for those who use Heathrow for holiday and business flights to take for granted the world's busiest international airport. They often fail to realise that it is our equivalent to a coal mine or steelworks. Heathrow provides 55,000 jobs. The people on the picket line and other constituents of mine who live close to Heathrow endure the deafening aircraft noise, air pollution and traffic congestion as their contribution towards this wonderful industry in west London. They accept it with little complaint for the compensation of jobs for themselves and their families, and of security for their children and grandchildren. They deserve better than the treatment handed out by Skychefs management.

I am not speaking in theory; I know the area extremely well. I first moved to Feltham—less than a mile from the Skychefs depot—more than 36 years ago. Immediately before my election in 1992, I worked continuously for 13 years less than half a mile away from the present picket line—directly under the flight path. I know that the sacked strikers deserve better than the treatment that they are receiving. Legislation cannot and, of course, should not be retrospective, but the fact that, under the Act, the action of the Skychefs management would be illegal gives the workers a strong moral right to be reinstated.

It is interesting that, according to the recent financial press, Lufthansa has purchased 15 per cent. of British Midland. I hope that there is some effort to settle the dispute honourably and very soon because, otherwise, we shall have to begin to call for a boycott of British Midland, too. The people around Heathrow would take such a call very seriously because it is our industry, and we do not want to damage it. However, when people become desperate, as they are with Skychefs, desperate action is inevitable.

My main concern is for the sacked strikers, especially because most of them come from the Asian community around Heathrow. A parallel can be drawn with the actions taken in the past by coal miners. The same cohesion is apparent in the Asian community as existed in the mining areas. The loyalty to a cause is very difficult to shift, so any action taken is likely to go on for a long time, as happened in coal disputes in the past.

We must remember that, as a result, people suffer for much longer. It is therefore even more important that we do something about this dispute as soon as we can. People are suffering who will not give in: we must bring the dispute to an end. None of the strikers expect the Government to intervene directly, but we hope that effective pressure—of which this debate is an element—will make a difference.

Finally, the Government deserve some praise. Many people felt that the Employment Relations Act could have provided stronger help for workers and trades unions, but none of the three major disputes in west London in recent years would have arisen had a Labour Government been elected in 1992, rather than in 1997.

The Hillingdon hospital dispute is the longest running of the three, and after four years has still not been settled satisfactorily, even though the tribunals that have been held have found in the workers' favour. Workers have been awarded money and told that they will get their jobs back, but the Granada group—the employers involved—continues to refuse to re-employ them. That strike started when the original contractor reduced pay from £3.50 an hour to £2.50. It, and all the suffering caused to the strikers, could never have occurred if the minimum wage legislation introduced by this Government had been in place four years earlier.

The second dispute took place in the constituency of my hon. Friend the Member for Southall. That dispute was between the General, Municipal, Boilermakers and Allied Trades Union and the Noons company, and concerned trade union recognition. It was settled early because of the promise of the provisions contained in the 1999 Act. Finally, had the 1999 Act been on the statute book a year ago, the management in the Lufthansa dispute would have been acting illegally when it sacked the workers.

The Government have made a start on rebuilding employment relations legislation. Today's debate is about real people suffering in a real way, and I want the House to give them our support.

2.43 pm

Mr. Piara S. Khabra (Ealing, Southall): I shall be brief, but I want to endorse what my hon. Friend the Member for Feltham and Heston (Mr. Keen) said. Tomorrow marks the first anniversary of the Lufthansa Skychefs dispute, and I abhor the fact that, despite the Government's efforts to foster partnership at work, the company has failed to act in that spirit and has refused to negotiate the reinstatement of the 273 workers sacked for holding a lawful one-day strike.

Lufthansa Skychefs is an American-owned company, employing 37,000 workers worldwide and controlling one third of all aircraft catering in the world. The company has shown clearly that it puts profits before people in the way that it has handled this dispute from the outset. A number of my constituents are among those who have suffered great hardship as a result of the strike, and I continue to wish them every success in their struggle against a clear injustice.

I shall outline what has happened in the dispute since November last year. Following the sackings, I was approached by some of my constituents and last December, I arranged a meeting at the House of Commons. A number of the sacked workers, along with their union representatives, came to meet me and my hon. Friend the Member for Feltham and Heston.

At the time, the union made it clear that there was no demand for a pay increase. The demand was for all those who were sacked to be reinstated, so that talks between management and union officials could resume. Following the meeting, two early-day motions were tabled. The fact that they received 200 signatures shows that hon. Members clearly supported the workers. In the meantime, I received two letters from the general manager of Lufthansa in December, asking for a meeting to discuss the dispute. In view of management's attitude towards the sacked workers, I declined to accept the offer.

Following the passage of the Employment Relations Act 1999, which states that the dismissal of strikers is unlawful during the first eight weeks of a strike and that thereafter the employer must demonstrate that the available conciliation procedures have been followed, I spoke to my right hon. Friend the Secretary of State for Trade and Industry and brought the dispute to his attention. However, he stated that because the new legislation is not retrospective, there is nothing that the Department can do to intervene.

The Transport and General Workers Union pressed for talks with management on 7 April. Lufthansa accepted moral responsibility for resolving the dispute. In May, after a meeting at the Advisory, Conciliation and Arbitration Service, talks broke down. The following day, Lufthansa issued a statement clearly attempting to discredit the TGWU. In June, to add insult to injury, the London management of Lufthansa, through ACAS, offered six vacancies to the 273 sacked workers.

The TGWU demanded that talks be reconvened, but as no response was received, it proceeded with the launch of the "Don't Fly Lufthansa" campaign. In response to the campaign, the company was forced back to the negotiating table and three more meetings were held, which were concluded on 2 September.

On 8 September, the company submitted a final offer to the TGWU. It contained proposals on re-employment, which improved the number of jobs available immediately, but left the overwhelming majority of those in dispute waiting for an opportunity to apply at an unspecified future date. It also included proposals for severance compensation of £220 for each year of service, only to those who were dismissed. That falls far short of the agreements generally available to workers in the industry, and the offer was firmly rejected by TGWU members.

Last month, I visited the picket line with five other hon. Members. On the picket line I met a number of my constituents, and I am deeply concerned that something should be done for them. Among those workers, there are many women and the loss of jobs has brought great hardship to their families.

I call on my hon. Friend the Minister to condemn the actions of Lufthansa Skychefs, and I urge the Government to back the workers' "Don't Fly Lufthansa" campaign, which is supported by the TGWU and the TUC. The campaign calls on the travelling public not to fly Lufthansa until an agreement is reached to resolve the dispute. There is no doubt that a higher political profile for the dispute is required for it to get the attention that it deserves.

I hope that today's debate will receive substantial coverage so that the general public are made fully aware of the truth about the dispute. Unusually, the media's

[Mr. Piara S. Khabra]

interest in the dispute has been totally lacking, and I wonder whether that is because the work force involved are all Asian.

2.49 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Alan Johnson): I thank my hon. Friend the Member for Feltham and Heston (Mr. Keen) for his kind remarks, and for the fraternal greetings from my Communication Workers Union colleagues in his constituency.

I congratulate my hon. Friend on having obtained the debate on a matter which I know is of considerable interest to him, and to my hon. Friends the Members for Ealing, Southall (Mr. Khabra) and for Hayes and Harlington (Mr. McDonnell), who have been energetic and assiduous in bringing the dispute to the attention of the House. As my hon. Friend the Member for Feltham and Heston explained, the debate is prompted by the first anniversary tomorrow of the dismissal of more than 270 workers at Lufthansa Skychefs, following a lawfully organised one-day strike.

Before I respond to my hon. Friend's speech, I thank him for his kind remarks about the Employment Relations Act and the other measures the Government have taken to bring partnership, fairness and decent minimum standards to the workplace. Millions of working people are benefiting, or will benefit, from the new rights that we have introduced through the Employment Relations Act, the national minimum wage, the working time regulations, the reduction in the qualifying period for unfair dismissal rights to one year and the rest of our "Fairness at Work" agenda, which comprised 46 measures.

Let me give but three examples. Two and a half million workers will benefit from the introduction of a minimum period of paid annual leave under the working time regulations; up to 2 million workers are expected to benefit from the national minimum wage; and—in a measure that might be of interest to those at No. 10 Downing street—we are increasing statutory maternity leave for 85,000 mothers a year. This is a substantial achievement, of which Labour can be proud.

The main thrust of my hon. Friend's speech was the Skychefs dispute. He will understand why I have to stress that it is not the Government's policy to intervene in industrial disputes, or to be seen to take sides by commenting on the conduct of either side. That is perfectly fair in a free society that has free and independent trade unions. Disputes are a matter for the parties concerned to sort out themselves—with the assistance, if they both agree, of the independent Advisory, Conciliation and Arbitration Service. Therefore, it would not be right for me to comment specifically on the whys and wherefores of the Skychefs dispute.

That said, it is a cause of considerable anxiety when disputes drag on. I understand that, as ever, ACAS stands ready to assist. I welcome the efforts being made by my hon. Friend and by the Transport and General Workers Union to promote negotiations aimed at achieving a settlement. I hope that the parties—with or without outside help—manage to arrive at an amicable solution that means that tomorrow will be both the first anniversary and the last.

The Government favour a partnership and non-confrontational approach to employment relations. That approach was the inspiration for our Employment Relations Act, which received Royal Assent just before the summer recess. Among other things, the Act will provide new rights for workers dismissed for taking lawfully organised official strike action, such as occurred at Skychefs last year.

It is already possible for strikers who are selectively sacked to complain of unfair dismissal, but they cannot complain where all the strikers are dismissed. We believe that that is unacceptable. Such dismissals, whether selective or wholesale, are not conducive to good employment relations: they complicate disputes and usually make them much more difficult to resolve. It is no accident that disputes involving dismissals are among the most bitter and intractable. We want to place a greater onus on both sides to resolve disputes without escalating them.

That is why the Act will enable strikers who have been sacked within eight weeks of the start of industrial action to complain that they have been unfairly dismissed; and—if they are willing to return to work—to ask a tribunal to order their reinstatement. We think that eight weeks is the right period in that it allows a reasonable time for the parties to hold constructive negotiations and to explore thoroughly all the options for resolving their dispute—in effect, it provides a cooling-off period.

In addition, to deal with cases where employers simply sit on their hands for eight weeks and then start sacking, the same right to complain of unfair dismissal will apply after the eight weeks if the employer has not followed all reasonable procedural steps to try to resolve the dispute. The right will also apply if the action has ended within eight weeks and the employee is later sacked for taking part.

However, I must emphasise that that is not a one-sided test. All those protections apply only to industrial action that is both official and lawfully organised, as the Skychefs dispute was. Moreover, the Act specifically requires a tribunal, in considering whether a dismissal after eight weeks is fair, to take particular account of whether the employer or the union has complied with procedures established in any applicable agreement, collective or otherwise; whether the employer or the union has offered, or agreed to start or resume, negotiations after the industrial action started; and whether either party has unreasonably refused a request to involve ACAS or other third parties in helping to resolve the dispute through conciliation or mediation. In short, we expect both sides to act fairly and reasonably, and we designed the Act to ensure that it is in their interests to do so.

At the same time, we have been careful to prevent tribunals from becoming involved in the merits of disputes. That is why a tribunal's determination of the fairness or otherwise of dismissals after eight weeks is based solely on the procedural steps taken by the parties. If a tribunal finds that a worker was dismissed unfairly for going on strike, it will be able to make a compensatory award of up to £50,000, in addition to a basic award of up to £6,600, based on the employee's age, salary and length of service.

A tribunal will also be able to consider applications for reinstatement or re-engagement once the industrial action is over. If it decides to issue a reinstatement order and the employer refuses to comply, the employee will be entitled to an additional award of between £5,720 and £11,440 unless the employer can satisfy the tribunal that it was not practicable to comply with the order.

Before we can bring the new rights into force, we intend to revise the rules and procedures of employment tribunals

to require tribunals to adjourn proceedings on applications in which the legitimacy of industrial action is being challenged in the courts, and to require pre-hearing interviews in all cases when one of the parties requests that. We aim to have the new rules—and rights—in place by Easter.

The new rights for striking workers are not the only measure in the Act intended to prevent or encourage the amicable resolution of disputes. My hon. Friend the Member for Feltham and Heston will know that disputes can arise about the recognition of a union for collective bargaining purposes; such disputes can be very bitter. As my hon. Friend said, the TGWU has, in effect, been "de-recognised" by Skychefs following the decision to sack its members. The Act ensures that such disputes can be handled in a sensible and non-confrontational way in future, by means of the statutory recognition scheme. The scheme encourages the parties at every stage to resolve their differences voluntarily, and that is already happening, even before it has come into effect. My hon. Friend mentioned the case of Noons, in which harmonious relations have been established following the signing of a partnership agreement between the GMB and the company.

Of course, there will inevitably be cases in which the parties are unable to sort out their differences. When that occurs, the scheme provides for an expert and independent third party, the central arbitration committee, to resolve recognition disputes. The scheme will come into effect shortly after Easter next year and, by then, we shall have restructured and enlarged the CAC.

My hon. Friend mentioned the Hillingdon hospital strikers' dispute, and rightly said that the national minimum wage would help to remove the worst cases of exploitation through pay—and, indeed, would have prevented the dispute in the first place.

The progressive implementation of the Employment Relations Act is well under way. Like the national minimum wage, the working time regulations and the reduction of the qualifying period for unfair dismissal rights to one year, it is part of a wider agenda to promote competitiveness, partnership and family friendly employment policies, and to ensure that decent, civilised minimum standards operate in the workplace. The measures in the Act will underpin a new culture of partnership at work, and will relegate the outdated and confrontational industrial relations policies of the past to the dustbin where they belong.

Human nature being what it is, we will never succeed in eliminating acrimonious industrial disputes such as the Skychefs dispute, which prompted today's debate; but, through the Employment Relations Act and all the other measures that we have introduced and will introduce over the coming year or so, we have done and are doing much more to move British employment relations into the 21st century.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

House of Commons

Monday 22 November 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Social Exclusion

1. **Mr. Phil Sawford** (Kettering): What action his Department has taken to promote the role of arts and sport in tackling social exclusion. [98967]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): In the spring of this year, we published the policy action team report, which demonstrated with a host of practical examples how effective arts and sports activity can be in tackling social exclusion. Last month I held a national conference on social inclusion to discuss with local government and partner organisations how the Department and others in the culture and leisure fields can best follow up the work of the policy action team. The Department, our sponsored bodies, local authorities, lottery distributors and the voluntary and private sectors will all play their part.

Mr. Sawford: I congratulate my right hon. Friend on promoting the role of arts and sport in combating social exclusion. Is he aware that there are many examples of that already happening and will he join me in congratulating Kettering rugby football club on its fifth annual mini-tournament, held yesterday, which involved more than 750 young people between the ages of seven and 12 from all sections of our community? Will he consider joining us at next year's tournament?

Mr. Smith: I certainly echo my hon. Friend's congratulations to Kettering rugby football club on what was clearly an excellent event. I shall need to consult my diary to see whether I can take up his kind invitation. This is indeed a good example of how arts and sport can play a real role helping the process of social cohesion and regeneration.

Mr. Richard Spring (West Suffolk): Is the Secretary of State aware that throughout the country museums, galleries and libraries are under unprecedented pressure, with many teetering on the brink of closure? Will he concede that access to and participation in sport by young people is imploding under this Government, with 30 per cent. fewer physical education teachers being trained and, as Sport England has shown, the highest number of playing fields under threat since records began?

Mr. Smith: That is a bit rich from a party that presided over the selling off of well over 5,000 playing fields during its time in office. Perhaps the hon. Gentleman has failed to notice the £15 million of funding that we have put in place for the designated museums throughout the country through the new challenge fund: the first time ever that national funding has been made directly available to regional museums in this country.

Perhaps the hon. Gentleman has also failed to notice the £270 million that is going to help libraries through the new opportunities fund. Perhaps he should get his facts right before asking such questions.

Lottery

2. **Ms Ann Coffey** (Stockport): If he will make a statement on the changes introduced by the Lottery Act 1998. [98968]

The Minister for Sport (Kate Hoey): The Act has allowed lottery distributors to be more proactive in making grants, to work more co-operatively and to allow decisions to be made closer to the grass roots. Distributors have produced strategic plans for their use of lottery money that will allow them to assess the extent to which their objectives are being met.

Ms Coffey: My hon. Friend will be aware that Stockport has benefited from more than £5 million of lottery funding, which has helped with major projects such as the Hatting museum. We look forward to help in due course with the renovation of Hollywood park. I welcome the increase in small grants from the lottery, which has benefited projects such as the Stockport and district mental health and arts project, which is an innovative and creative scheme that will improve the quality of life for the whole community. Can she assure me that the small grants programme will continue to increase for the benefit of small community groups?

Kate Hoey: According to my figures, Stockport has had £6 million of lottery money: slightly up on my hon. Friend's estimate. I agree that small community grants are important. They are crucial to ensure that small community organisations can benefit from the lottery. One of the most important things that we intend to do is to make it as easy and simple as possible, while assuring accountability, for those groups to apply for the money.

Mr. Andrew Rowe (Faversham and Mid–Kent): Is it not true that the distributors are now supposed to take much more account of policy directions from the Secretary of State? Is not that in clear contradiction to the need for charitable and voluntary organisations to innovate and experiment? I thought that that was what the national lottery was primarily intended for. Is the Minister happy with the direction that is being taken?

Kate Hoey: The directions would allow the innovation to which the hon. Gentleman refers. We are trying to move away from big spending on huge bricks and mortar projects and to concentrate on ensuring that lottery money

goes towards making a real difference for people and communities. It is important that the distributors can now look at where the money has not been going and ask why, and try to go out and find the projects, working with and supporting people to ensure that all areas of the country benefit in the same way.

Mr. Gordon Marsden (Blackpool, South): Is it not important to consider the money that is going into communities, and especially greenfield communities? May I also make a plea for the inclusion of seaside towns in the new opportunities fund?

Kate Hoey: My hon. Friend may be aware that the green spaces initiative under the new opportunities fund should allow constituencies such as his to benefit.

Tourism and Leisure

3. **Mr. Michael Jack** (Fylde): What calculations his Department has made of the impact on the tourism and leisure industry of Government regulations introduced since May 1997. [98969]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): No new regulations affecting business are introduced without first being subjected to a regulatory impact assessment. This assessment examines the costs and benefits of proposed regulations across the piece, not just on individual economic sectors. Tourism and leisure are key growth industries and my Department works closely with others to see that new regulation does not impose excessive administrative and financial burdens on tourism and leisure-related businesses.

Mr. Jack: That reply is a travesty. Is it not a cruel irony that my constituency of Fylde receives some £3,000 of help for its tourism business, which is worth £40 million, but that benefit is immediately washed out by the regulatory burden of the working time directive alone? Is not it time that the Secretary of State undertook to object to any more regulatory burdens on tourism if they exceed the value of the help that his Department gives to tourism in this country?

Mr. Smith: I can do better than that, because I can point to a host of regulatory burdens on the tourism and hospitality industries—about which the previous Government did nothing—that we are actively considering lifting. They include the better regulation task force case study of hotels and catering, the wide-ranging review of the liquor licensing system, Government proposals to simplify the regulation of late night restaurants, Government proposals to remove the ban on admission charging for Sunday dancing and research into the impact of land-use planning systems on leisure-related development. The Conservatives did nothing about those when in government: we are doing something.

Mr. Robert Sheldon (Ashton-under-Lyne): What estimate has my right hon. Friend made of the consequences to tourism of returning to the Elgin marbles to Greece? If it were possible to return them to the Parthenon itself, the case for that would be strong, but not for transferring them from one museum to another. They were effectively saved by bringing them to this country, so will my right hon. Friend ensure that any such proposal is firmly opposed?

Mr. Smith: I do, indeed, agree with my right hon. Friend. The Elgin Parthenon marbles in the British museum are visited by some 6 million people a year for free. People come from all over the world to see those treasures, among many others. I believe that it should stay that way.

Mr. Ronnie Fearn (Southport): Government regulation has established the regional development boards, with a special remit for tourism. So far, I do not see many people connected with tourism on the boards that have been established. Little seems to have been done in the traditional seaside resorts, where money is required but help is not forthcoming.

Mr. Smith: Several representatives from the tourism and leisure industry sit on regional development agencies, although they do not all have such a representative. The development of the regional cultural consortiums that we have put in place will draw together representatives from the range of cultural, sporting and tourism interests in each region and will have a direct input into the work of the RDAs and will ensure that the voice of tourism is not lost.

Mr. Peter Ainsworth (East Surrey): While I endorse the Secretary of State's policy towards the Elgin marbles, I must say that the Opposition do not think much of his regulatory impact assessment. Can it be a surprise that we have the worst tourism balance of payments in history, when so many in the tourist industry have been hit by an avalanche of costly deregulations? Is he aware that the Confederation of British Industry and the Institute of Directors have shown that more than 2,500 new regulations now affect their businesses that cost them £5 billion a year? No sector is worse hit than the leisure and tourism sector.

Mr. Smith: One of those regulations is the national minimum wage, which I actively support, as do the great majority in the hotel and catering industry. They know that good remuneration and treatment of employees means a well-motivated work force and a better service to the customer. That was borne out in research conducted by *Caterer & Hotelkeeper*, which showed that 84 per cent. of hospitality staff and 65 per cent. of their employers supported the introduction of a statutory minimum wage. It is only the Opposition who want to get rid of it.

Ticket Prices

4. **Mr. Gareth R. Thomas** (Harrow, West): What account his Department takes of the range of ticket prices for theatre, opera and ballet in London in its funding policies. [98970]

The Minister for the Arts (Mr. Alan Howarth): The Government want to ensure that everyone in England has an opportunity to experience the superb range of arts that we have in this country. With the Arts Council of England and the London Arts Board, we encourage companies in

London to ensure the widest possible access to performances, including through-ticket pricing, touring and promotional activity.

Mr. Thomas: I am grateful for that reply, and hope that my hon. Friend will now make it a priority to introduce a strategy genuinely to deliver cheaper and increased access to the arts for those on low incomes. Does he agree that if Michael Portillo is elected this week, Labour Members will have excellent access to ringside seats for yet another Tory party performance of "Julius Caesar"?

Mr. Howarth: Our policy is to balance excellence with access, and we write those objectives into the funding agreements that we negotiate with the bodies that we fund. Those objectives are further expressed in the funding agreements negotiated between funding councils and the bodies that they fund.

On my hon. Friend's tempting point, I simply say that, after Michael Portillo has—unfortunately for him—been unsuccessful in his campaign in Kensington, he will probably have more time to enjoy the remarkable performances that will be available from next week at the Royal Opera house, and at prices that he will be able to afford.

Mr. John Randall (Uxbridge): I am sure that the Minister will join me in congratulating the Royal Opera house on allowing disabled people to take full advantage of the full range of ticket prices. However, is it not a shame that, although good access will be provided for disabled people within the opera house, there is no provision for parking outside the opera house? Is there anything that the Department can do about that?

Mr. Howarth: I appreciate that the hon. Gentleman expresses that concern. I am quite certain that, when we have a new Labour mayor for London, with his responsibilities for transport, he will be concerned to ensure that parking arrangements and facilities not only at the Royal Opera house, but at all theatres and cultural venues, will be such as to better assist disabled people to have access to those cultural activities.

Ms Claire Ward (Watford): Does my hon. Friend agree that increasing access is not only about charging cheaper prices for tickets to places such as the Royal Opera house, but about changing cultural attitudes, particularly among young people and children? Would not such change be in line with the Government's policy to make such access available to the many, not only the few?

Mr. Howarth: Of course, my hon. Friend is right. Access is not only about ticket prices, but about outreach policies and education policies, and finding imaginative ways of encouraging people who have not hitherto perceived themselves as the types of people who might go to the opera, theatre, museums or galleries to begin to realise that that is their entitlement and a source of enormous pleasure to them.

The balance between excellence and access will be magnificently exemplified at the Royal Opera house—which is about to reopen with a clean balance sheet, its new theatre the best in the world for opera and ballet, a full programme of the highest artistic quality, and its productions accessible to people as they never were in the past. Ticket prices for ballet will begin at £2 and for opera at £6. I very warmly congratulate Sir Colin Southgate, Michael Kaiser and all those who have contributed to the renaissance at the Royal Opera house.

Arts Funding

5. **Mrs. Jacqui Lait** (Beckenham): What assessment he has made of funding levels for the arts in Britain since May 1997. [98971]

The Minister for the Arts (Mr. Alan Howarth): The Government have made available an additional £125 million to the arts over this and the next two years. That is a step change in funding for the arts in this country.

Mrs. Lait: I am grateful to the Minister for that reply. However, if that sum is so generous, why is it that everyone I meet in the arts feels let down by the Government? Is it because they were led to believe that they would receive £290 million, rather than £125 million? Is it also because they feel cheated by the raid on the lottery for money that should have gone to the arts, but is being used for social programmes?

Mr. Howarth: I do not know to whom the hon. Lady has been talking, but I believe that a new and very positive atmosphere surrounds the arts in this country. It is very much to do with my right hon. Friend's success in securing the best ever arts funding settlement, and also with the fact that we have a policy. The Conservative party has no policy—it does not believe that it should because, deep down, it does not really believe in Government responsibility for the arts. We do, and our policy is to promote excellence and access, to ensure that education plays its full part in support of the arts—and vice versa—and that we support the creative economy. There is extensive recognition and appreciation of that among people who care about the arts in Britain.

Mr. John Cryer (Hornchurch): Will my hon. Friend bear in mind the example of the Queen's theatre in Hornchurch when it comes to funding? It is one of the most successful theatres of its type in Britain, and has had an enormous increase in audiences of about 90 per cent. over the past two years. Will my hon. Friend try to bring pressure to bear on the chair of the London Arts Board—one Trevor Phillips—to ensure that in future the Queen's theatre's plea for regular funding is not brushed aside but taken seriously?

Mr. Howarth: There has been an extensive increase in funding for the London Arts Board of about 10 per cent. It will, I trust, give the board some margin with which to respond to what my hon. Friend very understandably calls for. Moreover, we have asked the Arts Council to conduct a review of the condition of theatre in the country at large, and it has willingly agreed to do so. I do not doubt that the issues surrounding the Queen's theatre will be characteristic of those that it will examine.

Mrs. Virginia Bottomley (South-West Surrey): When Trevor Phillips is able to identify the extraordinary developments in the arts in London that have been achieved as a result of the lottery, he may also be able to

inform the Minister of the dramatic reduction in arts funding that has taken place as a result of the £200 million that has been confiscated and given to the Chancellor of the Exchequer for his pet projects. What disappointment does the hon. Gentleman hold in store following the next election when, presumably, on the basis of precedent, there will be a further raid on arts lottery funding?

Mr. Howarth: The right hon. Lady's mathematics is surreal. We have committed one sixth of the proceeds of the lottery to the arts, with a guarantee that that amount will be provided for the arts for the whole of the next 10 years and beyond. The arts, heritage, sport and charity sectors can each count on £1.9 billion in the present licence period—that is £100 million more than the right hon. Lady's Government forecast.

World Cup

6. **Mr. Peter L. Pike** (Burnley): What recent discussions he has had with the football authorities about the world cup 2006 bid. [98972]

The Minister for Sport (Kate Hoey): The Government are providing the fullest support for the Football Association's bid, and will continue to do so between now and the decision by the FIFA executive committee next July. It is an excellent bid, and discussions with the footballing authorities are on-going.

Mr. Pike: Is it not a fact that the Government's 100 per cent. support for the bid, in accordance with the manifesto commitment, has played a significant part in the way in which the bid is proceeding? How does my hon. Friend assess the visit of the FIFA inspection team which I believe was here last month?

Kate Hoey: The FIFA delegates who visited England last month to inspect the facilities pronounced themselves satisfied with all that they had seen, and described England's bid and its stadiums as outstanding. Whether I can assess how likely we are to be successful is another matter. Certainly, we have an excellent bid, and FIFA's technical inspectors have said so.

Mr. Nick Hawkins (Surrey Heath): The Minister will know that all of us who are interested in sport, from all parties, are committed to supporting the 2006 bid, and have fully supported it in this House and elsewhere. However, does she accept that there is a problem regarding Wembley's involvement in that bid? Although we recognise that the new Wembley will be a vital part of a successful bid, there appears to be considerable confusion over the suitability of the newly redesigned Wembley for athletics as well, a factor that will also be relevant to the 2012 Olympic games bid.

Can the hon. Lady confirm that her predecessor, the hon. Member for West Ham (Mr. Banks), should have been aware of the athletics concerns way back in the early stages of the Wembley redesign, as this is not a new issue? Will she confirm that although we want both bids to succeed, it is important not to jeopardise the bid for the 2012 olympics and the concerns about athletics while trying to win the 2006 bid? As the hon. Lady put it, she cannot redesign the project, but she was quoted in the papers as saying that she would if she could.

Kate Hoey: The hon. Gentleman is right to point out that we await the independent report commissioned by the United Kingdom Sports Council on suggestions for designs that would put Wembley in the running for the Olympic games in 2012 or 2016. We shall receive the report within a week to 10 days and shall report to the House when we have considered it.

Mr. Joe Ashton (Bassetlaw): Is my hon. Friend aware that for 70 years, football fans at Wembley have been 60 yd from the goal if they are sitting behind it? As 95 per cent. of the revenue for running costs of the new stadium will come from football, not athletics, it would be disastrous if that mistake were repeated. Surely the Olympic games will come to the UK only once every 50 years, and will be attended by 80,000 only on the opening day. The proposed design of Wembley with a capacity of 67,000 would be ample for athletics. Is it not time that the football fans who go to Wembley, and who pay for the stadium to be run and maintained, have a decent view?

Kate Hoey: I am convinced that the new Wembley will give all football supporters a wonderful view. It will be a stadium that we can all be proud of. We want to be sure, however, that it is a national stadium, and that it will be possible both to hold the world championships there in 2005 and to consider the possibility of a later Olympic games bid. That is why we have commissioned the independent report, which will shortly be with us. I assure my hon. Friend that all football supporters who go to the new Wembley will be able to enjoy a world-class stadium.

Wembley Stadium

7. **Mr. John Greenway** (Ryedale): What assistance his Department is giving to the project for the redevelopment of Wembley Stadium. [98973]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Lottery funding of £120 million has been awarded by Sport England towards the purchase of the existing Wembley stadium from Wembley plc, and its reconstruction as a national stadium for football, rugby league and athletics. I have established a monitoring committee involving all the key players to allow us to identify and deal with issues arising, which demonstrates the Government's commitment to the project. I have every confidence that the new Wembley stadium will provide a first-class venue for a number of different sports and events.

Mr. Greenway: It has been suggested that the Minister for Sport's comments last week about the Olympics and athletics implied that her predecessor had put too much emphasis on football. However, the Secretary of State supported the Wembley redevelopment. More importantly, so did the Prime Minister, whose picture appears on the front cover of the world cup 2006 brochure with a redeveloped Wembley in the background. Does the Secretary of State accept that if the Government wish to will the end, taking credit for England hosting the world

cup in 2006, as we all wish it to do, they must also will the means? Huge outstanding planning and transport issues remain unresolved with Brent council, and those must be tackled. Will the Secretary of State put his Department's full resources into ensuring a successful outcome to the bid? The last thing we want is a successful world cup soccer launch that is hampered as the rugby world cup was by a stadium having to be painted on the day before the first match.

Mr. Smith: When I saw the rugby world cup at the Millennium stadium in Cardiff, everyone agreed that it is a fantastic stadium which provided a magnificent venue for the world cup. Exactly the same quality will be achieved both for the world athletics championship in 2005 and the football world cup in 2006. The Government will bend every effort to ensuring that that happens. However, we cannot, and should not, ride roughshod over the planning system. Proper rules are in place, and the necessary planning procedures will be undertaken.

Mr. Barry Gardiner (Brent, North): Does my right hon. Friend share my incredulity that Sport England allowed the release of £120 million of lottery funding for Wembley to purchase the site of the new national stadium, when it must have been known that the proposed stadium could not function as a truly national stadium for the three sports for which it was intended—especially for athletics—not only because of the size of the stadium but because, under Olympic and international regulations, a warm-up facility must be provided alongside? Will he assure us that the trust that was supposed to be the guardian of the project and of the national stadium will—as the previous Sports Minister assured me in the House—ensure that the project also functions for athletics? Will he further ensure that the Football Association pulls its finger out to get the project, which it has delayed by more than 18 months, back on to the drawing board and on target?

Mr. Smith: My hon. Friend has played a major role, as the local constituency Member of Parliament, in promoting the Wembley project. He raises a number of entirely legitimate concerns. However, I assure him that, right from the start, our concern—like that of Sport England—has been to ensure that the stadium can be used not only for football and rugby league, but for major athletics events. Through the establishment of the Wembley task force under the chairmanship of Sir Nigel Mobbs, with the involvement of Brent Council and English Partnerships, we shall also ensure not only that the stadium is created in the right way, but that the surrounding area is treated in the right way.

Mr. Peter Ainsworth (East Surrey): May I take this opportunity to welcome the Minister for Sport, the hon. Member for Vauxhall (Kate Hoey), to the Treasury Bench? I am, however, delighted that the Secretary of State is answering this question, because, although the blame for this fiasco seems to be being shifted to the hon. Lady's predecessor, the hon. Member for West Ham (Mr. Banks), the Secretary of State was present throughout all the proceedings. There is now a real possibility that we shall have a national stadium that cannot host the Olympic games.

Was it helpful for the Sports Minister to wait until after the planning application was lodged before saying that it was

"the wrong kind of stadium"?

What conditions in respect of Olympic-standard facilities were attached to the £120 million lottery grant? Who was responsible for authorising the brief that turned out to be the wrong kind of brief? If the Government are not responsible, and are not to blame, for the breathtaking and pitiful bungling of this major project, we should like to know who is.

Mr. Smith: Apart from misquoting my hon. Friend the Minister for Sport, the hon. Gentleman, by that question, does the cause of creating a truly national stadium no good whatever. The aim throughout has been to ensure that we have a first-class, world-class national stadium for football, rugby league and athletics. As he will know, from parliamentary answers, the design for the new stadium was first shown to Ministers in the middle of July this year. As a direct result, I called a further meeting on 21 July with Wembley National Stadium Ltd., the chief architect and Sport England, to ensure that the interests of athletics were intimately involved in the further development of the designs for the stadium.

Museums and Art Galleries

8. **Mr. John Heppell** (Nottingham, East): On what date pensioners will be allowed free admittance to national museums and art galleries. [98974]

The Minister for the Arts (Mr. Alan Howarth): Funds have been made available to permit free access for pensioners, from April 2000, to the currently charging national museums funded by my Department.

Mr. Heppell: I thank the Minister for that response, and, on behalf of the pensioners in my constituency, I thank him for finding the £99 million extra that has made free entrance to museums possible for pensioners, in the same way as it is for children. Has my hon. Friend made an assessment of how many extra children have been attracted to museums as a result of free entrance? Does he expect similar increases among pensioners?

Mr. Howarth: I am pleased to tell my hon. Friend that, as we hoped, the project to allow children free entry to national museums and galleries has been a remarkable success. In the past year, the number of children visiting the museums and galleries that have participated in the scheme increased by no less than 22 per cent. I believe that there will be an equivalent beneficial effect when we have free entry for pensioners.

Mr. Tim Loughton (East Worthing and Shoreham): I congratulate the Secretary of State on the robustness of his answer to the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) on the Elgin marbles. Can he reassure me, however, that the Government are equally robust, so that, when he and I are pensioners, we shall be able to visit our best national museum—the British museum—and see the Elgin marbles free of charge? What will he

advise the Prime Minister to tell President Clinton, who thinks that he knows better than the trustees of the British museum where the Elgin marbles are best placed?

Mr. Howarth: My right hon. Friend the Secretary of State made our position absolutely clear just now. We believe that it is proper that the Elgin marbles remain in this country. That is our position and the statutory position, and the position of the trustees of the British museum reinforces it.

Television Licences

9. **Mr. Martin Salter** (Reading, West): How many pensioners will benefit from the provision of free television licences to those aged over 75 years; and what plans he has to reform the current system of concessionary television licences. [98975]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): More than 3 million households will benefit from the provision of television licences free of charge to people aged 75 and over. The Government are still considering whether to make any further changes to the existing concessionary arrangements, in the light of the recommendations in the Davies report on the future funding of the BBC and the responses to the public consultation on the report. An announcement will be made early in the new year.

Mr. Salter: I thank the Secretary of State for that answer. I understand that there is a separate regime for the licensing of television sets in Her Majesty's prisons. Should Lord Archer end up in prison, will he be given the same access to the television licensing regime as any other common criminal?

Mr. Smith: The short answer is yes. Because of Crown exemption, television sets in prisons do not require a television licence. Therefore, in such hypothetical circumstances, the noble Lord would be given access to a free television licence some 16 years ahead of his 75th birthday.

Mr. Eric Forth (Bromley and Chislehurst): Who will pay for all this—the taxpayer or the licence fee payer?

Mr. Smith: In relation to the question about Lord Archer, the answer is that I am not sure. In relation to the general concession to pensioners aged 75 and over, the answer is that my right hon. Friend the Chancellor of the Exchequer has made that money available out of Exchequer funds, and the cost is £300 million.

Mr. David Winnick (Walsall, North): Is my right hon. Friend aware that the Chancellor's decision, announced a few weeks ago, is much welcomed by the age group that will benefit? Can he explain why the previous Government did everything that they possibly could to prevent the concession being granted to pensioners, despite the years of campaigning by Labour Members?

Mr. Smith: I congratulate my hon. Friend on his own dogged, persistent and extremely effective efforts to raise the matter in the House. He is right to say that my right hon. Friend's announcement has been warmly welcomed. The only place that it does not appear to have been welcomed is on the Opposition Benches. On 10 November, the *Daily Mail*—which, of course, I always believe—said:

"Tories dismissed the free TV licences as a gimmick".

Perhaps they are thereby saying that they would remove that benefit, which my right hon. Friend has made available.

Mr. Peter Ainsworth (East Surrey): However well received this concession is—I am sure that it will be well received by Baroness Thatcher, as by many other people of that age group—can the right hon. Gentleman confirm that the free licence scheme will not extend to the cost of any extra fee that may be payable for digital television services? What is to stop every household with a 75-year-old switching the licence into the 75-year-old's name and watching television for nothing? Does not the scheme mean that, in future, the Government will take a direct stake in the funding of the BBC of at least £300 million a year? What guarantee can the right hon. Gentleman offer the BBC that that will not compromise its independence?

Mr. Smith: From those questions and the hon. Gentleman's failure to answer the point that I have raised, I have to take it that the Opposition would remove this benefit if they ever got into government.

I wish to make two points in answer to the hon. Gentleman's questions. First, the benefit will be available to all pensioners of 75 years and over and it will be available to their households. That is what we have said and that is what we shall put in place. Secondly, there will be an absolute guarantee that providing the money for that benefit will in no way endanger the BBC's independence.

Tower Opera

10. **Ann Clwyd** (Cynon Valley): What plans his Department has to support the Tower Opera tour of England. [98976]

The Minister for the Arts (Mr. Alan Howarth): I am aware of the admirable work of Opera Box in providing opera to new audiences and of the enthusiastic response that there has been in Wales to Tower. As my hon. Friend knows, however, my Department does not provide direct support to artistic organisations. Funding for the arts in England is channelled through the Arts Council of England and regional arts boards. It is for them to take decisions on the funding of individual organisations.

Ann Clwyd: I am grateful to my hon. Friend for that answer. As a former member of the Arts Council of Great Britain, I find it extremely parochial of the Arts Council of England to turn down the application for a touring grant for the "Tower" opera, which tells the story of a highly successful workers' co-operative. Despite the best efforts of the Conservative party, which wanted to close the co-operative down because it said that it had no future, it is now a successful enterprise, making a profit year on year.

Is my hon. Friend aware that the application for a touring grant was turned down, apparently because the Arts Council of England said that there was no interest in the opera in England? That is despite the fact that 15 theatres in England had said that they wanted it to come to their theatres. To ensure that this cultural delight is not taken away from the people of England, I have booked the Hackney Empire to show the "Tower" opera on 1 March—St. David's day—and I am glad to invite all my friends and colleagues in the House to that event.

Mr. Howarth: The whole House recognises my hon. Friend's passionate commitment both to the Tower colliery and to the "Tower" opera. She will be a doughty champion of the cause. May I offer her a ray of hope? Since the Arts Council conveyed its decision that it would not support the touring of the "Tower" opera in England, it has reconsidered its commitment to touring and proposed to increase its funding for touring. If my hon. Friend can demonstrate that 15 or more theatres in England would welcome the opportunity to stage this production and that the production has been received with critical acclaim in Wales, it may be worth her while to pursue another conversation with Mr. Peter Hewitt, chief executive of the Arts Council.

Lottery

11. **Mr. Ian Pearson** (Dudley, South): What action he is taking to ensure a fair regional spread of the proceeds from the national lottery. [98977]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Following the National Lottery Act 1998 and my revised policy directions, distributors must now take into account the need to ensure that all parts of the country have access to funding and the scope for reducing economic and social deprivation. Working with the lottery distributors, we have commissioned research to establish what more can be done to help areas where the take-up of lottery funding has been low.

Mr. Pearson: I thank my right hon. Friend for that reply. I welcome the pro-active approach of the National Lotteries Charities Board, working with me and others in my constituency, to encourage more applications from voluntary organisations. However, is my right hon. Friend aware that, to many people in the west midlands, it still appears that lottery funders think that interest in art and heritage stops at the end of the Northern line? Will he ensure that arts, culture and industrial heritage projects in the west midlands and other regions receive their fair share of lottery cash? Will he consider putting a moratorium on any new appointments to the lottery board of people who live in London and the home counties?

Mr. Smith: I am ever anxious to ensure that membership of the boards of lottery distributors and, more importantly, the decisions that they take on the distribution of funds reflect properly the regions of this country, not just London. That is why, for example, the new directions that are in place insist that lottery distributors take account of the need to ensure a fairer geographical spread of lottery distribution. That is also why the development of the small grants scheme, which is available throughout the country and which has an easy application process, has been so successful. I am pleased to report to the House that, in the past year, the number of small grants being supported by the lottery has doubled.

Sir Sydney Chapman (Chipping Barnet): Accepting that the fair regional spread of national lottery proceeds must depend on the number of applications coming from the various regions, is the Secretary of State prepared to discount lottery funds that go to national institutions in London, because outer London boroughs in particular feel that they may not be getting their fair spread of lottery funding?

Mr. Smith: The hon. Gentleman is partly right, although the number of applications that are approved depends on the quality of applications as well as their number. He has a valid point in that the overall London figures can sometimes be distorted by the presence of national institutions in the very heart of London, and some parts of London may get disregarded unfairly as a result of that. A fairer geographical spread means exactly what it says, both for other parts of London and for the regions.

12. **Mr. Derek Wyatt** (Sittingbourne and Sheppey): How he will ensure that poorer communities in need of sports facilities will receive a larger share of allocations from the Lottery. [98978]

The Minister for Sport (Kate Hoey): The Government are determined to ensure that a greater share of lottery money goes to sporting projects in areas of deprivation. Sport England's priority areas initiative provides extra funding to such areas, and sport action zones will provide extra help in focusing funding towards areas of particular need.

Mr. Wyatt: I, too, welcome my hon. Friend to the Front Bench. It is a pleasure to see her there. Does she intend, in the sports strategy, to consider an audit for sports facilities—*[Interruption.]*

Mr. Hilton Dawson (Lancaster and Wyre): I apologise, Madam Speaker.

Madam Speaker: I should think so. Pagers should be switched off before hon. Members come into the Chamber.

Mr. Wyatt: Will my hon. Friend consider, in her sports strategy, an audit of what facilities are currently available in communities? That audit should include not simply how many playing fields and swimming pools there are, but how many facilities are needed per adult. Areas where there is poverty, such as my community in Sheerness, have been told time and again that we should have more sports fields, but alas there are no fields to buy, so that is no good to us at all.

Kate Hoey: My hon. Friend raises a valid point. It is absolutely clear that, before we can make significant decisions about where and how money should be spent, we need to know what base we are starting from. We are seriously considering some form of audit, helped by local authorities and others.

Mr. John Bercow (Buckingham): Given the importance of providing the maximum number of sports fields to benefit poorer communities, how does the hon. Lady reconcile the statement by the Minister for School Standards on 7 June that the new opportunities fund would provide £125 million to facilitate bids by cash for the creation of new playing fields with the issue on 29 September of that fund's consultation document, which specifically stated that the purchase of land would not be a priority?

Kate Hoey: As usual, the hon. Gentleman is right and wrong—although perhaps I am being unfair. The buying of playing fields certainly will be allowed under the new initiative, although it will not be the only measure, and it will not necessarily be any more of a priority than some of the other initiatives.

Ms Joan Walley (Stoke–on–Trent, North): I very much welcome the steps that my hon. Friend has taken to make sure that money ends up where it is most needed. However, we still do not have a level playing field. In the west midlands, particularly in my constituency, playing fields have no adequate drainage and there are no proper facilities where people can play sport. We desperately need the support of a sports action zone. Will my hon. Friend consider the criteria carefully and think about those areas that do not have a level playing field?

Kate Hoey: I would expect Sport England to consider precisely the kind of problem to which my hon. Friend has referred when deciding where sports action zones will be.

Millennium Dome

14. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on the progress of the millennium dome project. [98980]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The team at the New Millennium Experience Company continue to make magnificent progress, finalising delivery of all aspects of the millennium experience at the dome. The dome is on course to be a centrepiece for the country's millennium celebrations, both on its opening night and throughout 2000. I pay tribute to the hard work and dedication of Bob Ayling, Jennie Page and all involved.

Mr. Paterson: That statement contrasts with recent press reports that the dome may not be completed in its entirety by 31 December. If it is not, who will be held responsible and what will happen to them?

Mr. Smith: The hon. Gentleman should not believe everything that he reads in the press. The dome will indeed be completed in its entirety, with all its zones, in time for the opening on 31 December.

It is surely time for the carping to stop and for us all to get behind what will be a national flagship project for next year. We should surely take just a little pride in our country's ability to produce such a magnificent experience and exhibition for 2000.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Historic Buildings

30. **Sir Sydney Chapman** (Chipping Barnet): What funding he has received from English Heritage in 1998 for the upkeep of the Church's historic buildings. [98996]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): In 1998-99, £12 million was made available through English Heritage towards repairs to churches of all denominations and religions—Christian and non-Christian churches, historic places of worship in regular use and grade 1 or 2 listed buildings.

Sir Sydney Chapman: Will the hon. Gentleman confirm that £12 million is significantly less than the Treasury grabs in value added tax on church repairs and renovations? If, as I suspect, that is so, has not the quite ridiculous system of the Treasury giving with one hand and grabbing back with both hands gone on for too many years? I lend my support to the hon. Gentleman and his commissioners in their campaign for the vexed issue of VAT on church repairs to be looked into.

Mr. Bell: As I reminded the House during my Adjournment debate on 17 November, the total available funding for 1999-2000 of £10 million from English Heritage and £10 million from the heritage lottery fund falls far short of the total bill for major repairs which, for the Church of England alone in 1998, amounted to £123 million. Of that, £18 million was paid in VAT. So, the hon. Gentleman makes a perfectly valid point; the Treasury has taken with one hand what it has given with the other.

Mr. Peter L. Pike (Burnley): Will my hon. Friend assure me that churches that receive restoration grants as part of our heritage are brought back into community as well as religious use, as was intended when they were built? Will he also assure me that facilities and access for disabled people are considered when grants are made?

Mr. Bell: English Heritage money is limited to urgent, high-level structural repairs and repairs to historic fabric at risk of imminent loss of grade 1 and 2 churches. Heritage lottery fund money is available for similar work to grade 2 churches and non-structural repairs of any grade, provided that they lie within certain prescribed

local authority areas. I am very glad to take up my hon. Friend's point about disabled access and facilities, and will ensure that it is heard.

JC 2000

31. **Mr. Andrew Rowe** (Faversham and Mid–Kent): What representations the commissioners have received concerning any proposed investment in JC 2000; and if he will make a statement. [98997]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): I am happy to associate myself with JC 2000. As a member of its committee, I must state how pleased I am that 18,000 schools have registered to be part of the millennium arts festival for schools. It is very important that schools help pupils understand the true meaning behind the millennium. JC 2000 has gained support from the Department for Education and Employment, Church leaders and representatives of other faiths. I should add that, as Second Church Estates Commissioner, I have received several representations.

Mr. Rowe: I am most grateful to the hon. Gentleman for his generous support for the project. Will he do his utmost to ensure that the somewhat creaky communication network of the Church of England operates to best possible effect, reminding churches and parishes throughout the United Kingdom that, should they want to put on a festival, a massive reservoir of the Church's work is waiting to be exhibited and displayed in concerts and other millennium celebrations?

Mr. Bell: As the hon. Gentleman knows, the mills of God grind slowly, but they grind exceeding small; the same is true of the administration of the Church of England, but I shall make sure that his words are heard. The commissioners have consistently encouraged every appropriate attempt to mark the millennium year as the 2,000th anniversary of the birth of Jesus Christ. I am happy to encourage pupils, teachers and schools to devise drama, music and dance productions inspired by the impact of the Christian story; such productions are well within the framework of JC 2000.

Millennium

32. **Mr. Simon Hughes** (Southwark, North and Bermondsey): What contribution the Church Commissioners are making to the millennium celebrations. [98998]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): In my role as Second Church Estates Commissioner, I have made a modest contribution in helping to raise 75 per cent. of the total £4 million cost of the faith zone at the dome, and I echo the words of the Secretary of State for Culture, Media and Sport in respect of its success. Two million pounds has been donated by the Laing family trusts and £1 million comes from other Christian sources. The faith zone will contain a number of impressive exhibits and installations relating to the way in which the story of Jesus Christ, which lies at the heart of the millennium, has made a difference in this country.

Mr. Hughes: Have the arrangements for Christian participation in the millennium celebrations now been finalised; and, if so, what are they? Will the hon. Gentleman consider discussing with the commissioners whether, next year, they could put some of the funds to which they have access into increasing the number of people at work as Christian ministers in the field? I have no idea of the figures, but I reckon that the percentage of Christians in Britain was larger 1,000 years ago than it is now. If we are to reverse the trend, we might have to employ more people to do the job.

Mr. Bell: The other day, I read a story in the *Financial Times* stating that only 4 per cent. of our community goes to church. However, 96 per cent. are born into the Church, marry in the Church and die in the Church: that makes a strong and Christian country.

I echo the words of the Secretary of State that the millennium dome will be a big success. The faith zone will show exhibits and installations relating to the story of Jesus Christ. I am told that it will be finished on time and that it will be a wonderful sight. It will marry with other community projects on which the Church is embarked, such as every church bell in the land being rung on new year's day. In addition, the Millennium Commission is funding the restoration of bells, the floodlighting of churches and an imaginative national faith heritage centre in Bradford.

Mr. John Maxton (Glasgow, Cathcart): Given that the content of the faith zone was decided by the Lambeth conference, chaired by the Archbishop of Canterbury, from which those of us who believe in no god were excluded entirely, how are we to be represented within the faith zone? In addition, how much will the Church of England give directly to the faith zone?

Mr. Bell: After my last exchange with the hon. Gentleman, I recall someone telling me, "I'm an atheist, thank God," although that might not represent my hon. Friend's views. The Lambeth conference was a conference of all the faiths, so all the faiths have had a say in the faith zone; the zone will be inclusive and display aspects of other faiths. As for the contribution of the Church, as I said earlier, £2 million has been donated by the Laing family trusts and £1 million by other Christian sources; therefore, 75 per cent. of the money raised for the faith zone comes from sources other than the Church itself.

Bishops' Salaries and Allowances

34. **Mr. Desmond Swayne** (New Forest, West): What plans the commissioners have to revise the structure of bishops' salaries and allowances. [99000]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): Bishops' stipends are set by the Church Commissioners on the recommendation of the Archbishops Council as the central stipends authority.

Mr. Swayne: What possibility is there of linking theological orthodoxy and evangelical zeal to remuneration, especially expenses payable, so that occupants of the pews can be reassured that they are getting value for money?

Mr. Bell: The clergy are there for the salvation of souls, and I am sure that they do a wonderful job. As for expenses, it is important to bear it in mind that bishops' expenses are only 1.5 per cent. of the total running costs of the Church.

Churchwardens Measure

35. **Mr. Peter Luff** (Mid–Worcestershire): If he will make a statement on the financial implications of the churchwardens Measure. [99001]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): In response to comments by the Ecclesiastical Committee, the General Synod has made a number of amendments to the power in the Measure to suspend a churchwarden, including a new appeal provision. The only situation where the Measure might have measurable financial implications would be where there was such an appeal. That would be likely to arise only rarely, and I am sure that all those involved would be concerned to keep the expenses to a reasonable minimum.

Mr. Luff: I am sure that many of the parochial church councils that have written to me recently to express their concern about the Measure will be encouraged by that response. Will the hon. Gentleman give an indication of the progress that this Measure will make through the House, to enable parochial church councils to shape their representations to Members on this subject?

Mr. Bell: I am glad to be of assistance to the hon. Gentleman. The Measure, with the amendments made by the General Synod, has been re-submitted to the Ecclesiastical Committee, which will consider it further as soon as possible. From there, we shall voyage on to the Floor of the House.

PUBLIC ACCOUNTS COMMISSION

The Chairman of the Public Accounts Commission was asked—

Red Book Figures

36. **Mr. Geoffrey Clifton–Brown** (Cotswold): What are the funding implications for the National Audit Office of its remit to evaluate the methodology of the Red Book figures. [99002]

Mr. Robert Sheldon (Chairman of the Public Accounts Commission): The commission is responsible for ensuring that the NAO has sufficient resources to carry out the statutory duties of the Comptroller and Auditor General. In our previous report to the House, the commission noted the CAG's assurance that the cost of carrying out his new statutory duties in respect of the Budget assumptions is not expected to be high or to exceed the capacity of existing expertise available within the NAO. On the basis of the current scope of Budget assumptions work by the NAO, I remain satisfied that that is the case.

Mr. Clifton–Brown: May I ask the Chairman of the Public Accounts Commission to allocate a specific sum so that we can ensure that the figures in next year's Red Book are truly transparent and that we do not have a situation, as we have had with this Government, where the same amount of money is repeated two or three times over and is accumulated for several years before it is actually spent? The public should be able to see properly what is being spent on health and education.

Mr. Sheldon: The National Audit Office certainly carries out its remit thoroughly and properly. I am surprised by the hon. Gentleman's criticism because it is the task of the Public Accounts Commission, together with the Public Accounts Committee, to ensure that this work is done satisfactorily. I have no reason to doubt that that is still the case.

Political Progress in Northern Ireland

3.32 pm

The Secretary of State for Northern Ireland (Mr. Peter Mandelson): With permission, Madam Speaker, I would like to make a statement on political progress in Northern Ireland.

In July, my right hon. Friend the Prime Minister and the Taoiseach asked former Senator George Mitchell to facilitate a review of the implementation of the Good Friday agreement. The review was to focus on breaking the deadlock over devolution and decommissioning, which has prevented progress for many months.

Senator Mitchell concluded his review last Thursday, after 11 weeks of intensive negotiations. I would like to pay tribute to his balanced, persistent approach, which was at all times good-humoured, evidently fair and respected on all sides. For nearly five years he has devoted his time and energy to helping to resolve the most intractable of problems. Whatever now happens in the coming days, the whole House will want to join me in thanking the senator for a job extremely well done.

The review has not produced a single text like the Good Friday agreement. Instead, it has concentrated on building trust and confidence by means of a number of important steps forward rather than waiting for one giant leap that might never be made.

As a result, last week saw a series of statements by the Decommissioning Commission headed by General de Chastelain, by the parties, by the IRA, by the British and Irish Governments, and by the senator. None of these was in itself decisive. But cumulatively, I believe that these statements, together with the further steps that are planned, have created the conditions in which the agreement can now be fully implemented.

I draw the House's attention in particular to Mitchell's belief that

"a basis now exists for devolution to occur, for the institutions to be established and for decommissioning to take place as soon as possible";

to the assumption of a more active, assertive role by the Decommissioning Commission in circumstances which it recognises will be transformed by the full implementation of the agreement; to Sinn Fein's acceptance that decommissioning is an essential part of the peace process, to be brought about under the aegis of the Decommissioning Commission in accordance with the agreement, and to its acknowledgement that conflict must be a thing of the past; to the Ulster Unionist party's recognition of the legitimacy of the peaceful pursuit of nationalist aspirations, and its commitment to the principles of inclusivity, equality and mutual respect; and lastly, to the IRA's acknowledgement of the Sinn Fein leadership, and their willingness to appoint someone as an authorised representative to enter into discussions with the Decommissioning Commission.

I plan to call a meeting of the Assembly on Monday 29 November for the purpose of nominating Ministers in the new Northern Ireland Executive. Assuming that Ministers have been nominated, Parliament will be invited to approve a devolution order under the Northern Ireland Act 1998 on Tuesday 30 November, and powers will be transferred on Thursday 2 December.

Like Senator Mitchell, I believe that, with the institutions established, and everything up and running, decommissioning will happen as a natural and essential development of the peace process. Sinn Fein has previously argued that decommissioning must take place in the context of full implementation of an overall settlement. It now has this in prospect as a result of the review. We are, therefore, planning for success, not failure.

However, if there is default, either in implementing decommissioning, or indeed for that matter devolution, it is understood that the two Governments, British and Irish, will take the steps necessary to cease immediately the operation of the institutions—the Executive, the Assembly, the North-South Ministerial Council, the British-Irish Council, the Civic Forum and the north-south implementation bodies.

Nobody should doubt my resolve to ensure that no party profits from preventing progress in all aspects of the Good Friday Agreement. Of course we are talking about voluntary action by all parties to achieve devolution and decommissioning. None the less, in terms of the steps taken and those in prospect, a heavy political price will be paid by those who default.

Unionists, and indeed nationalists, can be assured of that. It would pain me to do so, but I would not shrink from suspending the institutions if it proved necessary, thus restoring the status quo, so as to consider how to rectify the default; but as I said, we are planning for success, not failure. Whether the agreement can move forward now depends on the meeting of the Ulster Unionist council which has been called for this Saturday.

I pay tribute to the courage and leadership of the right hon. Member for Upper Bann (Mr. Trimble), who is advising his party to seize the opportunity that these developments present. It is, for the Ulster Unionist party, a decision of historic importance. A great responsibility rests on it.

I cannot take that decision for the UUP, and I would not, for a moment, overstate the merits of the deal that has now been secured. I would, however, say this. First, the Good Friday agreement is, by any standard, a good deal for Unionists. As the right hon. Member for Upper Bann said at the time, it secures the Union for as long as a majority of the people of Northern Ireland continue to support it. It brings government closer to the people in local institutions, which will be responsive to local needs. It ends the 1985 Anglo-Irish agreement, and it removes the territorial claim in the Irish constitution.

Secondly, I have already said that, in the new situation that devolution will create, I believe that decommissioning will take place. No longer are the IRA ruling out decommissioning either by the front door or the back door. I do not believe that the republican movement would have created expectations, as it has, if it did not intend to deliver.

Let us be clear, though, about one thing: the process so outlined may not be perfect, but if it is not attempted, there will be no chance whatever of any decommissioning. Critics of the right hon. Member for Upper Bann have offered no alternative way of meeting their objective, and it is certainly not for want of asking.

We will know before long whether the IRA and the loyalist paramilitaries are engaging constructively with the Decommissioning Commission. Their representatives should be appointed within hours of devolution. The commission will arrange early meetings with all the representatives of the paramilitaries, and it will issue a

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further report within days of those meetings. General de Chastelain is an internationally respected figure. We can be sure that he will tell it as it is, and set the highest standards.

Finally, let me say to those critics that those who are embarking on this journey in good faith will not be left on their own. If all our expectations of the Good Friday agreement are not met, I will be seeking a way forward in co-operation with those committed to the process, based on the principles of this agreement.

We stand on the brink of a remarkable transformation in Northern Ireland. There are already signs of growing economic confidence. The security situation, while not perfect, has been transformed. Bombs and barricades no longer interrupt daily life; people can once again lead a normal existence.

We must not go back to the bad old days: with a settled political future, in which the needs of both communities are met in a fair and equal society, we will not have to. The alternative is to hold back; to risk the renewal of instability and all that that brings; never to know whether decommissioning would have occurred; and to create an overwhelming sense of disappointment and uncertainty, which could not be more harmful to Northern Ireland's interests, now and in the longer term. In my judgment, that is no real alternative at all.

People in Northern Ireland are demanding a safe, secure future for their children. It is the politicians' job to create that for them. We must give peace a chance. I commend to the House the steps that are being taken.

Mr. Andrew MacKay (Bracknell): I am very grateful to the Secretary of State for his statement. Like him, I wish to pay handsome tribute to the work of Senator Mitchell. Without his seemingly limitless patience, we would not have made anything like the progress that we have made—not only during the latest review, but since he was first asked to examine decommissioning way back in 1995.

Will the Secretary of State acknowledge that, throughout the process, we too have been strong supporters of the Belfast agreement and that our overriding objective has been to implement it in full? Does he appreciate that our disagreements with the Government occurred when we believed that the agreement was not being implemented in full, with no decommissioning of illegally held arms and explosives, and no end to violence while 300 terrorist prisoners were released on to the streets early?

We believe that real progress has been made in the review, which could lead to achieving the twin goals of decommissioning and devolution. We welcome, as far as they go, the quite encouraging statements from Sinn Fein and the IRA last week. As my right hon. Friend the Leader of the Opposition said during the debate on the Queen's Speech last week, we have always made it clear that we would support the establishment of the Executive as long as it was accompanied by

"the beginning of a credible and verifiable process of decommissioning".—[*Official Report*, 17 November 1999; Vol. 339, c. 17.]

Does the Secretary of State accept that devolution and decommissioning must take place virtually simultaneously? That means that the Provisional IRA should appoint an interlocutor as soon as the Executive is set up. Does he also share our concern about the reported comments of senior republicans Pat Doherty and Martin Ferris in the United States last week? Will he echo the remarks of the leader of the Ulster Unionist party in calling on Mr. Adams totally to dissociate himself from those comments?

I agree with the Secretary of State that we must not plan for failure, but we are of course being asked to take much on trust. Does he agree, therefore, with the words of the Anglican Primate, Lord Eames, who said last week that

"if arms decommissioning does not take place within the timescale that is being mentioned at the moment, then the world's condemnation will rest on those who have not delivered"?

Will he again clearly state that, in those circumstances, he would give his full backing to the right hon. Member for Upper Bann (Mr. Trimble), whose political leadership and courage we applaud? Following that, does he also agree that the appropriate course of action for him as Secretary of State, supported by the Irish Government, would be to invite the formation of a new Executive composed only of those parties that have committed themselves, in the words of the agreement, to

"exclusively democratic and peaceful means"?

We passionately want this to succeed, but we might all be wrong. We might all be let down. We might all be being misled. Does the Secretary of State agree that, if that happens, it will not be the fault of the democrats in the House or in Northern Ireland and that not they, but the paramilitaries and their political mouthpieces, should face the penalties? The time has now come for the paramilitaries—republicans and loyalists—at long last to deliver.

Mr. Mandelson: I thank the right hon. Gentleman for his support for all that we are doing and for what the parties, together with Senator Mitchell, have achieved over the past few weeks. Whatever differences of emphasis have existed between those on the two Front Benches in the past, I am very grateful for his recognition that real progress has been made and his agreement with me that the steps that I have outlined today should now be taken. I look forward to receiving his continuing support, and that of colleagues, for what will no doubt be a difficult, occasionally painful and fraught process as we move step by step through the series of changes and measures that have emerged from this successful review.

I do not want to dwell, if the right hon. Gentleman does not mind, on what will happen if we do not achieve the success that we all want. There is always some danger that our doing so would run the risk of reinforcing, rather than addressing, people's doubts and fears, and I do not think that it would be right to do so at this stage. I of course share his view, and that of the right hon. Member for Upper Bann, that some of the reported comments made by certain individuals in Boston and elsewhere have not been helpful. They are, none the less, the comments of particular individuals; they do not speak for an entire movement.

Although I do not speak for Mr. Doherty, it is worth noting in parenthesis that later in his interview he was invited to offer a pledge that the IRA would not

decommission. He declined to give that pledge. As the right hon. Gentleman will know, Sinn Fein has issued a statement in his name in which it makes it clear that

"Sinn Fein are not in the business of double-crossing or misleading anyone. Such a course of action would be disastrous. We are in the business of making peace".

It behoves us in the circumstances to take those comments at face value in the knowledge that, in the coming weeks and months, they will remain to be tested.

Mr. David Trimble (Upper Bann): My colleagues and I associate ourselves with the references to George Mitchell. Let me also express our appreciation to United States Ambassador Philip Lader, who tolerated our occupation of a substantial proportion of his residence for two weeks during our discussions there.

I agree with the Secretary of State that we have a basis on which we can proceed to both devolution and decommissioning. I emphasise that the one must accompany the other. I am sure the Secretary of State agrees that without decommissioning devolution will not survive, if only because our position would otherwise become untenable. I should also say that we would not wish to remain were that the case.

The Secretary of State referred to the de Chastelain commission, and the discussions that it will have with the contact persons appointed by the paramilitaries. Can he confirm that those discussions are expected in the first instance to relate to the modalities of decommissioning—the number of weapons involved, and the ways in which they will be decommissioned? Reference has been made to General de Chastelain's statement that his commission will report on the discussions on modalities within days. Does the Secretary of State share our expectation that the report will indicate how the next phase of the process will be handled? That next phase will relate particularly to timing.

The Secretary of State referred to what might happen in the event of a default in terms of decommissioning and devolution. He said that the two Governments, British and Irish, would take the steps that were necessary to end the operation of the institutions. Are the Irish Government fully bound in on that? Given that steps to end the operation of the institutions will involve legislative and other measures, may we have an assurance that, should the situation arise, those measures will be introduced as soon as possible, and will include the winding up, as soon as is practicable, of the special administrative arrangements for cross-border co-operation that will automatically come into operation on decommissioning? It is important for those matters in particular to be dealt with, for the purpose of reassurance.

Mr. Mandelson: I am happy to offer the right hon. Gentleman all the assurances that he seeks.

I echo the right hon. Gentleman's thanks to Ambassador Lader for the extremely generous provision of his residence, his dining table and much else besides. That came at a timely moment. I especially welcome the right hon. Gentleman's view that what has been achieved now offers the basis on which we can and should proceed. He is right to say that the job of the de Chastelain commission is to consider, in co-operation with the appointed representatives, the full modalities of how, when and on what basis decommissioning should occur. It is not for me, for the Irish Government or for any other person to seek to impose any sort of timetable or artificial deadlines on the commission; it is independent—truly independent—and that means that the rest of us must observe a certain self-denying ordinance in expressing what will no doubt be our impatience to see progress.

The right hon. Gentleman is right to say that the interlocutors will be appointed, and will take up their roles, on the day devolution occurs. That means that the process of decommissioning will effectively start at the same time as the beginning of devolution, which, I think, is the outcome that the right hon. Gentleman sought—an outcome that has been achieved through painstaking negotiation on his part.

As for the default mechanism, I can say that, following substantive discussions between ourselves and the Irish Government, they are at one with us in regard to the process that I have described.

Obviously, in the painful event of our needing to suspend the operation of the institutions, so that we can identify what we do next and how we proceed, given the crisis that will have occurred as a result of the suspending of the institutions, there will be a need for legislation. That will be introduced as soon as possible by the British Government. I can confirm that that will relate to the winding-up of the administrative arrangements for cross-border institutions to which the right hon. Gentleman has referred.

Mr. Harry Barnes (North–East Derbyshire): It is a pleasure to follow the right hon. Member for Upper Bann (Mr. Trimble) in questioning the Secretary of State. I hope that I have some credibility with Ulster Unionists in the House in trying to take a serious interest in the affairs of Northern Ireland. In that, I would like to associate myself entirely with the statement by the Secretary of State.

Is it not the case that there are times for hard bargaining, and some of us have associated ourselves with the hard bargaining that has come from the Unionists over decommissioning, and there are times for reaching agreements, when the opportunities are there, and for making honourable agreements. That has occurred at this particular juncture. It is a case of there being an agreement and Sinn Fein being expected to live up to its side of the agreement. There is a case in negotiating for perhaps grabbing someone's hand, nailing it to the table and saying, "This is the position that we adhere to and that we expect to be delivered."

I therefore hope that, on this occasion, the lead that has been given by the right hon. Member for Upper Bann will be pursued and followed, so that we can get further developments towards peace.

Mr. Mandelson: I am grateful to my hon. Friend. I immediately acknowledge the serious interest that he takes in Northern Ireland's affairs. I agree that there are times for hard bargaining. Heaven knows I have seen a great deal of those times from all those who have been involved in the talks; but equally, people need to know when the negotiations have achieved all that it is possible for them to achieve—and that time was reached last week.

I go some way in echoing my hon. Friend's sentiments about the future. I say merely this. It is not just a question of decommissioning; we are seeking to achieve devolution, too. Everyone has a responsibility to do what

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they need to do and to fulfil their part of the bargain to ensure that devolution takes place, as well as decommissioning, so it is to all the parties that we say that they need to fulfil their responsibilities. Our expectations of them all are equally high.

Mr. John Major (Huntingdon): Is the right hon. Gentleman aware that he has taken a gamble this afternoon, but a justifiable gamble, which I wholeheartedly support? After last week's welcome statements from the Ulster Unionist party, Sinn Fein and the IRA, it is now probable that we are coming towards the endgame and drifting slowly but inexorably towards a permanent settlement in Northern Ireland. I fervently hope that that is the case, but he will know that difficulties may still lie ahead. There may still even be violence from fringe groups away from the main parties. We need to prepare ourselves for that possibility from people who, even at this stage, may wish to wreck the prospects of a better life for people in Northern Ireland.

May I make one separate point to the Secretary of State? It is absolutely right now to nominate Ministers to the power sharing Executive, but there will be many who still have doubts about that, perhaps in Northern Ireland, and it is important that disillusion should not set in and that the Executive should be able to make successful advances. I hope that the Government will offer them whatever support they can.

The whole House will be aware that one of the difficulties that has so often underpinned what we have come to know as the troubles has been a form of economic deprivation on which the men of violence have fed so frequently. May I suggest that, in working with the new power sharing Executive, the right hon. Gentleman seek to revive the idea of investment conferences to bring in the wall of money that I, for one, believe is waiting to be invested in Northern Ireland? In that way, the everyday citizen in Northern Ireland, at a time of hope, can see the practical and tangible advantages of co-operation in government and a better life for them and their children in future?

Mr. Mandelson: I thank the right hon. Gentleman for his significant statement and assessment of the situation. His remarks are particularly telling, given his contribution towards bringing us to this point. I am sure that hon. Members would want me to acknowledge that.

The right hon. Gentleman was right to say that we are taking a justifiable gamble—although we shall be careful throughout not to drop our security guard—and that there will be some in both communities who will not want us to succeed. They have the means available to them to be destructive and to try to bring down what the peacemongers among the politicians are achieving. We must be clear that any security changes that might be contemplated in the future will depend entirely on the assessment that the Chief Constable and his colleagues make of the threat posed.

I particularly like the right hon. Gentleman's idea of investment conferences. I agree that there is a wall of money behind the enormous amount of good will that exists towards Northern Ireland. His conference in 1995 led to a major repositioning of Northern Ireland in the international business community. It was from that initiative that new investments by Fujitsu and Ford came to Belfast. There are no greater salesmen for any locality than the local politicians, who live and work there and represent the people who stand to benefit. We are placing that responsibility in their hands and on their heads as devolution proceeds.

Mr. Lembit Öpik (Montgomeryshire): Will the Secretary of State accept the good wishes of the Liberal Democrats on the great progress that has been made? Does he agree that Senator Mitchell has proved that if we wait long enough, sometimes pray hard enough and maintain our faith in the process, extraordinary things can be made to happen, even if the moves are not always dramatic and can take some time? The Liberal Democrats have resolutely supported this Government and the previous one in their efforts to secure a lasting peace.

Does the right hon. Gentleman agree that the right hon. Member for Upper Bann (Mr. Trimble) needs a clear run to secure an accord in his party for the proposals? Of course it is right to be tough on compliance, but is it not now essential that the mainland parties back the accord from a safe distance without interfering or providing any distress in the Province? In that context, does he welcome the recent reaffirmation by the official Opposition that they are genuinely committed to the bipartisan agreement? That was evidenced by their recent important meeting with Sinn Fein president Mitchel McLaughlin and other constructive statements from the right hon. Member for Bracknell (Mr. MacKay).

Finally, does the Secretary of State agree that we have got this far thanks not only to the commitment of the Prime Minister, but to that of his predecessor, the right hon. Member for Huntingdon (Mr. Major), who initiated the current process? He should be proud of that. As well as those two Prime Ministers, two Taoiseachs, three Secretaries of State for Northern Ireland and, above all, the Northern Ireland politicians have been responsible for the progress made, by showing that they have the capacity to act on the vision of a better future and the courage to work for it. Is it not prudent to remember that the process is not about politics or gaining party political advantage in Westminster or in the Province, but about the people of Ulster?

Mr. Mandelson: I am grateful to the hon. Gentleman. I endorse his sentiments that we want the right hon. Member for Upper Bann to be given a clear run, not because I think that members of the Ulster Unionist party should simply do what they are told and do the bidding of all who are clamouring at them to agree to the proposals, but because the proposals are right for the people whom they speak for and represent in their constituencies across Northern Ireland.

The hon. Gentleman was right to say that many people have contributed to the process—so far, so good—but none more than the parties themselves, who have negotiated this painstakingly and directly between themselves. The earlier attempts to get us to this position were a bit like shotgun marriages, forced by the two Governments. What we have now is certainly not a marriage, but it is a voluntary accommodation between parties, freely entered into on the basis of a carefully negotiated contract. What we have is all the healthier, in

that the parties have done it through their own free will rather than as a result of the Governments putting them up against a wall and attempting to force them to do it.

Mr. David Winnick (Walsall, North): Is there not one thing of which we can be certain? Without the Executive being formed and without devolution taking place, there is no chance whatever of decommissioning occurring. If, as we all hope, the Executive is set up and devolution takes place, will there not be the utmost pressure on the IRA—national pressure, but also international pressure from the United States and others—to decommission on time? Should not we work on that basis?

Mr. Mandelson: I agree. We have good reason to expect movement by the IRA because, for the first time, we have a statement by the IRA. When we were nearly brought to this position in July, the right hon. Member for Upper Bann and his colleagues said that if we had a statement from the IRA, that would clearly transform the situation. For the first time, we now have that statement, and it will potentially transform the situation if it is fulfilled in practice. In addition, we have the IRA's representative, who I confidently expect will work closely, properly and effectively with General de Chastelain.

To those who have told us, and keep telling us, that we will not get decommissioning and that what the parties have agreed over the past 11 weeks is nothing new, I would like to ask—what have they said or offered that is new, or has the remotest possibility of delivering either devolution or decommissioning? The answer is: absolutely nothing.

Mr. Peter Brooke (Cities of London and Westminster): I concur with the Secretary of State's tributes to Senator Mitchell and to the right hon. Member for Upper Bann (Mr. Trimble). Does he agree that there is no way forward in Northern Ireland without risk and no way forward without courage, and that we must hope that the accuracy of the calibration of risk will be matched by the courage of those involved? However, success will depend on trust. If that trust is not fulfilled, those guilty of disappointing that trust will be guilty also of taking the whole process back to square one, if not further back.

Mr. Mandelson: I agree entirely with the right hon. Gentleman. There are risks involved in moving ahead. Certainly those who are responsible for setting up the Executive and implementing devolution will carry enormous responsibility. However, I have no doubt that whatever position I take or whatever attitude the Governments take to the functioning of the Executive, the Executive would collapse itself—without my having to suspend it—if a political crisis were created as a result of decommissioning not taking place.

Trust is at the heart of the operation of all the steps set out today and all the progress that we want to see in the weeks and months to come. Nothing would impair or threaten that trust more than if people's expectations of what will follow in relation to decommissioning were dashed at the last moment.

Mr. John D. Taylor (Strangford): The Secretary of State said that Unionists must show courage and take a jump of faith, but many Unionists feel that they are being asked to take a jump into the dark. He said that if the IRA default on decommissioning he will throw Sinn Fein out of the Executive; and he had good news for the Unionists and said that he would throw them out as well. That is not very encouraging. The weakness is that there is no time scale for reaching the decision that the IRA have defaulted. We could be asked to jump into the dark and proceed until June 2000.

Many Unionists are hesitant because they do not know what will happen if there is failure. It is wrong to say that we are not planning for failure; we know that there could be failure. Members of the majority community in Northern Ireland need to know what the position will be if there is failure. When they have reassurances on that, they might go with this, but until then the process is in real trouble.

Mr. Mandelson: I am interested in the right hon. Gentleman's remarks. It is important to note that he does not quibble with or oppose fundamentally the negotiated deal and way forward that are the outcome of the Mitchell review. I am grateful to him for making a clear distinction between the fundamentals of what has been negotiated and agreed and the additional assurances that people will need in order to summon the courage to go forward.

I hope that I have contributed this afternoon to providing those reassurances and I would be very happy to meet the right hon. Gentleman and any of his colleagues should they want to put further questions to me about exactly how I envisage the developments and events of the next few weeks and months unfolding.

We are justified in planning for success but that does not mean that we are not providing for failure. The right hon. Gentleman will have noted carefully what I said about that point. It is not right to say that we are jumping into the dark. We are taking some risks, but they are all carefully calculated and controlled and will remain under the control of the parties and the Governments and, above all, of the Assembly itself.

The right hon. Gentleman talked about my excluding Sinn Fein from the Executive in the event of the IRA failing to decommission to the satisfaction of the de Chastelain commission, but it is up to the Assembly, not me, to take that action. In the event of those circumstances arising, I would certainly move to suspend the operation of the Executive but it would then be for the Assembly and all the Members and parties in it to take what action they think appropriate.

We will not necessarily punish all parties in the event of a default. Effectively, all parties are being punished at the moment through the failure to set up the Executive and our inability to make a reality of devolution and satisfactorily to implement the Good Friday agreement as a whole. In the current situation, it is not possible to say clearly where responsibility for those failures lies; but if default occurred it would be only too clear where the responsibility lay. That would represent a considerable move forward and provide a helpful basis for our resolving the situation and rectifying the default in ways that I and all the parties consider appropriate and possible.

Mrs. Maria Fyfe (Glasgow, Maryhill): Does my right hon. Friend agree that considerable courage has been shown on both sides in Northern Ireland to get where we are today, and that the progress that has been made should

[Mrs. Maria Fyfe]

totally marginalise those who would pursue violent means to their ends? In the process of planning for success—which my right hon. Friend should use as a slogan in Northern Ireland—will he recall that some people claimed not to understand what they agreed to in the Good Friday agreement? Will he consider publicising the content of the recent review so that people are clear about it and the men of violence are marginalised?

Mr. Mandelson: I entirely share the sentiment expressed by my hon. Friend. The achievements of the past 11 weeks have shown that it is politics that work, not violence. That is what the agreement is all about and what the Mitchell review demonstrates. That is a message that I shall drive home with all the communication skills available to me.

Mr. Tom King (Bridgwater): The House will have noted the Secretary of State's confidence and that of Senator Mitchell that the Good Friday agreement can now be delivered in full, and those of us who have worked in any way on the process will wish profoundly that that will prove to be the case. Will he accept the wise warning from my right hon. Friend the Member for Huntingdon (Mr. Major)—that this is a time of real hope, but also undoubtedly a time of considerable danger? Certain groups at both ends of the spectrum offer no good will to the agreement and will find no comfort in an accommodation in Northern Ireland. Whatever the views of the Governments, the issue is now for the people of Northern Ireland to resolve, with our good wishes and our confidence that if they can find the accommodation that we seek for them, the future can be bright.

Mr. Mandelson: I am grateful to the right hon. Gentleman for his comments, which are shrewd and based on much personal experience in Northern Ireland. He is right to remind us of the colossal public support that exists for the Good Friday agreement. That was tested at the time of the referendum and, more recently, in successive opinion polls. At the time of the referendum, more then 70 per cent. of people in Northern Ireland endorsed the Good Friday agreement. According to a recent, valid, properly conducted opinion poll, and despite all the frustrations, problems and delays of the past 18 months, that percentage has barely slipped. People in Northern Ireland overwhelmingly want to see the agreement implemented, because they know that on it rest their futures, their prosperity, their peace and the possibility that their children can remain in Northern Ireland as leaders instead of becoming exiles. That is why they are crying out for the politicians to implement the agreement and to make the progress that has been agreed in the Mitchell review.

Ms Margaret Moran (Luton, South): I join in the congratulations to my right hon. Friend and all the parties on the progress made to date, especially the prospect of rapid devolution. I also congratulate my right hon. Friend on his wisdom in selecting the Women's Coalition conference for discussion of the progress of the review. Does he wish to comment on the role that the smaller parties, such as the Women's Coalition, played during the review and will play in future, in the power sharing Executive and in rebuilding the civic society which is so necessary in Northern Ireland?

Mr. Mandelson: My hon. Friend makes a valid point. Before I mention the smaller parties, however, I wish to put on record my appreciation of the role played by the Social Democratic and Labour party throughout the negotiations and, indeed, the entire peace process. All the values underpinning the Good Friday agreement, and all the good will that has driven forward the Mitchell review, are encapsulated in what the SDLP stands for and what their leaders have contributed throughout the entire process.

My hon. Friend was right, too, to acknowledge the contribution made by the smaller parties. It was a delight for me to go, on Saturday, to the annual conference of the Northern Ireland Women's Coalition to make my announcement. Ever so occasionally, their enthusiasm got slightly in the way of the neat delivery of the soundbites that I had carefully prepared—but I do not mind a bit of chanting and jumping on seats interrupting the polished delivery of my speeches if it demonstrates the enormous tide of good will and public support for implementation of the Good Friday agreement.

Mr. Ken Maginnis (Fermanagh and South Tyrone): I welcome the Secretary of State's statement. As someone who has been a Member of this place for 16 and a half years, and felt alienated from this place for 14 of those years—since the Anglo-Irish agreement—I find this an exciting and hopeful time. I hope that getting rid of the Anglo-Irish agreement and the Irish Republic's territorial claim will provide us the platform that will enable us to move forward.

I ask the Secretary of State and other right hon. and hon. Members on both sides of the House whether, after D-day, they will continue to pay attention to events and support us during what will be a difficult time? Such support will be most important, now that we have achieved consensus with most people in this Chamber.

On a parochial note, I ask the Secretary of State if he takes encouragement from the fact that—although a virtual spectator to attempts to normalise Northern Ireland politics—the Ulster Democratic Unionist party has today indicated its intention to take up its ministerial entitlement in a new Northern Ireland Executive. Conversely, is he—like me—puzzled by the assertion by the hon. Member for Belfast, East (Mr. Robinson) that disarmament of terrorist organisations is not a priority?

Mr. Mandelson: I am very interested in the hon. Gentleman's last comment. Undoubtedly, the hon. Member for Belfast, East—a leading member of the DUP—will satisfactorily explain to his constituents and others why he thinks that decommissioning is not important any more, and why he attaches so little value to it. It is something for him to explain, rather than for me to comment on.

The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) was also right to draw attention to the fact that members of that party are prepared to receive the gain of what he and his colleagues in the Ulster Unionist party have negotiated without going through all the pain of that negotiation. I only assure him that, of course, when and

after we reach D-day, we shall certainly not be losing any interest at all. Support for what is going on, and what has been achieved, is full and will continue to be so.

I hope that, in the days leading up to Saturday's Ulster Unionist council, the hon. Member for Fermanagh and South Tyrone will make it very clear to his hon. Friends and colleagues and to members of his party that, unless we get the go-ahead and the vote that we want on Saturday, we shall not be seeing the end of the Anglo-Irish agreement made in 1985, and we shall not be seeing removal of articles 2 and 3 of the Irish constitution. So if for no other reason than those two great steps forward—there are other reasons—I hope that the council votes yes on Saturday.

Mr. Martin Salter (Reading, West): We await the prospect of DUP Ministers with bated breath. I should have thought that one of the first things they could do is to return some of the paving stones in their constituencies to their natural state.

On a more serious point, we all applaud the efforts of the genuine pro-agreement parties in pushing forward the peace progress so that we are on the threshold of implementing the Good Friday agreement in full. However, how confident is my right hon. Friend that some of the smaller loyalist paramilitary groups and splinter groups are genuine about the process of decommissioning, particularly in the light of the appalling gangsterism that still exists in certain parts of the Province and the sporadic outbreaks of equally appalling sectarian acts?

Mr. Mandelson: My hon. Friend is right to point out that recently, and even now, nationalists—members of Northern Ireland's minority community—are suffering disgusting and unwarranted attacks in appalling incidents, many of which, I am glad to say, have been forestalled by the intervention of the Royal Ulster Constabulary and the security forces. I am glad to put on record my acknowledgement of, and thanks for, what the RUC has done in recent weeks to stop the pipe bombers and others who have been intercepted on their way to carrying out the most despicable and unforgivable attacks.

I believe that the de Chastelain commission will take its responsibilities very seriously in relation to all the paramilitaries. It will adopt an active role, and I am confident that it will do what is necessary to achieve what we all want to see—that is, full decommissioning by all the paramilitaries by May 2000, as set out in the Good Friday agreement. We have already lost some time; there is now an opportunity for the paramilitaries to pick up speed and make further progress so that they will have achieved their targets by the end date set out in the Good Friday agreement.

Mr. Robert McCartney (North Down): I am sure that the Secretary of State will forgive me if, in the best traditions of this House, I introduce a note of discord to his orchestrated harmony. In July this year, when the first seismic shift was in progress, the right hon. Gentleman's predecessor, now the Minister for the Cabinet Office, indicated that a draft treaty was available in the Library. It consisted of a letter addressed by the right hon. Lady to the Foreign Minister of the Republic, introducing a failsafe treaty dealing with the points so ably raised by the right hon. Member for Strangford (Mr. Taylor).

Is there, in this second seismic shift, a similar failsafe treaty that will ensure that in the event of Sinn Fein/IRA defaulting on their bargain, a treaty will be available setting aside the institutions? The Secretary of State will be aware that those institutions—the north-south implementation bodies and the north-south ministerial councils—are the subject of treaties, not between the parties but between the sovereign Governments—hence the necessity for the failsafe treaty. Is a similar treaty available in this case?

Secondly, is the Secretary of State aware of any institution of government claiming to be democratic that would include the political representatives of a terrorist organisation still in possession of its arms and still dedicated to the destruction of the state?

Mr. Mandelson: In answer to the hon. and learned Gentleman's specific question about the treaty, it was not pursued because the plan fell. However, similar understandings with the Irish Government exist, as I think that I have made clear during the course of my responses this afternoon.

The hon. and learned Gentleman said that he had to introduce a note of discord to our proceedings. Quite honestly, I would not have expected anything different from him. I regret to say that he has contributed not a jot to the negotiations or to the progress of the review. I note that he attempts to take no share either of the credit or the responsibility for what has been achieved.

I have not spoken about seismic shifts, either today or on any other occasion. I am interested only in what we can achieve at the end of the full implementation of every aspect of the Good Friday agreement, which is the seismic shift that the people of Northern Ireland want. If and when we achieve that, as I confidently believe we will, I hope that the hon. and learned Gentleman will be the first to cheer, and to say "I was wrong".

Sir Brian Mawhinney (North–West Cambridgeshire): Does the Secretary of State accept that everyone involved in making this significant political progress is to be commended? Does he recognise that the bedrock on which that progress has been founded are the fortitude, courage and common sense of the vast majority of the people of Northern Ireland over 30 bloody years? Does he accept that their fortitude and courage ultimately resisted the men of violence, slowly but inexorably strengthening the hands of the democrats so that they can now take the risks that they are justifiably taking?

Bearing in mind that, in terms that the Secretary of State will understand, the good reputation of the many has been tarnished by the actions of the few for 30 years, will he take this opportunity to pay tribute to the people of Northern Ireland—whatever their religious background or political persuasion—who have stood firm and made today possible, and who, we hope, will make tomorrow possible?

Mr. Mandelson: The right hon. Gentleman's sentiments will be shared by most if not all hon. Members. We would not have achieved what we have, and I would not be standing here to announce it, without the majority of the people of Northern Ireland having asserted their values, their good will, their principles and what they believe. They have struggled through so much to achieve

[Mr. Mandelson]

it, and it is their mandate that has enabled the parties to negotiate successfully. It is their rejection of violence that has caused the paramilitaries to fall away and to resort to the politics from which they should never have deviated.

Dr. Nick Palmer (Broxtowe): One of the great advantages of the peace process is that it appears to be marginalising the extreme groups that still seek change through violence rather than politics. Everyone from the Ulster Unionists to Sinn Fein is being given a common interest in defeating those groups. However, every stage of the process in Northern Ireland, as in similar processes elsewhere, has been punctuated by attempts at disruption through terrorist acts by violent groups. Will my right hon. Friend state that any attempt to disrupt the process through violence by fringe splinter groups—successful or defeated—will fail, because we are committed to completing the process and gaining a long-term peace agreement for Northern Ireland?

Mr. Mandelson: I assure my hon. Friend that that will be the case. The security forces will not lower their guard, and the people of Northern Ireland will not tolerate any distortion by a continued resort to violence of what they have achieved or the progress that we are making. I am in constant touch with the Chief Constable, the General Officer Commanding, NI, and other members of the security forces. They maintain their guard and their responsibility, and while I remain Secretary of State, that guard will not be dropped.

BILLS PRESENTED

Fur Farming (Prohibition)

Mr. Nicholas Brown, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Byers, Mr. Secretary Murphy and Mr. Elliot Morley, presented a Bill to prohibit the keeping of animals solely or primarily for slaughter for the value of their fur; to provide for the making of payments in respect of the related closure of certain businesses; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 6].

Sea Fishing Grants (Charges)

Mr. Nicholas Brown, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Byers, Mr. Secretary Murphy and Mr. Elliot Morley presented a Bill to ensure the validity of charges made in the administration of certain grant schemes relating to sea fishing: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed. Explanatory notes to be printed [Bill 7].

Orders of the Day

Debate on the Address

Fourth Day

Order read for resuming adjourned debate on Question [17 November].

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—*[Dr Jack Cunningham]*.

Question again proposed.

Foreign Affairs and Defence

4.35 pm

Madam Speaker: I must inform hon. Members that there is a limit of 10 minutes on Back-Benchers' speeches throughout the entire debate.

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): May I start by taking the dangerous step of inviting 30 seconds of consensus in the debate? I invite the House to join me in paying tribute to the work of the members of the diplomatic service. Without their work, we should not be able to hold today's debate on international relations. I have worked closely with them for the best part of three years. In my experience, they show a powerful commitment to the public service and put in long hours, well beyond any reasonable requirement of their contracts.

There is a media caricature of diplomats living a life of receptions in luxurious embassies. That is grossly unfair both to the hard work of the diplomatic service and to the conditions under which it is carried out. Most of our foreign posts are run on a shoestring; half have four or fewer UK-based staff. Those posts always involve some isolation; they frequently entail hardship and, occasionally, real danger. Among the violent crimes against diplomats last year were car-jackings at gunpoint, knife attacks, and a shooting that left two diplomats wounded. After those 30 seconds, I hope that enough bipartisanship remains for the House to join me in recording our appreciation of the universal commitment and the frequent courage of members of the diplomatic service. Their work is all the more relevant because we live in a world in which nations are more interdependent than they are independent.

The aim of foreign policy, therefore, must be, first, to strengthen Britain's security by deepening our alliances; and, secondly, to promote our prosperity by widening our commercial links. To do that, we need partners in every continent. The Government will thus engage constructively with any country where we can make progress through dialogue. That means that, sometimes, we must be willing to build a working relationship even with Governments who do not share all our values.

During the past year, we have restored a working relationship with two such countries, where we had inherited a long-standing stalemate from the previous

Administration. With Libya, we have negotiated the handover of the two men charged with the Lockerbie bombing. After a decade, the relatives of those who died that night will hear the evidence brought out in open court during the coming year. The Government of Libya have also handed over compensation for the killing of WPC Fletcher—thus removing the last obstacle to the restoration of full diplomatic relations. We expect a British ambassador to take up his post in Libya next month.

Britain already has a full ambassador in Iran, for the first time in more than a decade. Next year, I intend to visit Iran as the first British Foreign Secretary to do so since the fall of the Shah, 20 years ago. We retain real concerns about several aspects of the policy of Iran, but we are now able to raise those concerns through a dialogue that did not exist previously.

However, we are more likely to find more natural partners among countries that share our values and among people who share our freedoms. It is thus to our advantage to widen the number of countries that have open Governments, open societies and open markets. That is why it is in our national interest to support democracy and to strengthen international law. The Gracious Speech takes forward that commitment to international justice by announcing a draft Bill to give effect to Britain's support for an international criminal court.

Mr. Donald Anderson (Swansea, East): Will my right hon. Friend give way?

Mr. Cook: If my hon. Friend will let me finish the point, I shall happily give way.

We shall publish the Bill in draft—my hon. Friend will be interested in that—so that the non-governmental organisations that are concerned with human rights can comment on it before it is introduced, and so that its terms can be scrutinised by the Select Committee on Foreign Affairs and Members of the House.

Mr. Anderson: My right hon. Friend is well aware of the importance of being among the first 60 countries to ratify that important convention, and the effects that will flow from that. Can he give the House a clear undertaking that, after the welcome scrutiny by the Committee and by the non-governmental organisations, the Bill will be enacted in time for the United Kingdom to be among the first 60 to ratify?

Mr. Cook: I am happy to confirm that our commitment remains to be among the first 60 to ratify, because the court cannot come into effect until 60 countries ratify the agreement. It is in our interests to be among the first 60, because we can then shape the nature of the court, and I believe that we are on target to do so. Only four countries have so far ratified the convention, and those four did not require primary legislation to do so.

The legislation will be complex. As I said when I announced it in the House a year ago, it will not be a fast-track or simple procedure. That is why it is helpful for the House and those outside it who are interested in the matter to have the opportunity to comment on a draft, so that we can ensure that we have an agreed text ready for when the opportunity arises.

The existence of a permanent international criminal court will end the need to invent a new remedy every time that there is another case of mass atrocities such as those committed in Rwanda, Kosovo or East Timor. It has been a paradox of our century that those who murder one person are more likely to be brought to justice than those who plot genocide against a million. This measure will put on notice the Pol Pots and the Saddams of the world that major crimes against humanity are the business of all humanity and will no longer go unpunished.

Our co-operation at the conference in Rome, attended by more than 100 countries which supported the setting up of the court, is also an example of how we can best fulfil our foreign policy objectives by being a constructive member of an international community. Britain has long ceased to be an imperial power. If we are to influence world events, we must do so, not alone, but in partnership with the international community; and Britain has unique opportunities for such partnerships.

We are the only country that is a member of the Group of Eight, of the Commonwealth and of the European Union, and a permanent member of the Security Council of the United Nations. This summer, in the G8, we demonstrated what a valuable forum it can be for international co-operation when, over three solid days in Cologne, we hammered out the details of the peace settlement in Kosovo. I vividly remember one adjournment of the proceedings in order that eight Foreign Ministers around the table could get on their mobile phones to give fresh instructions to their ambassadors in the United Nations about the Security Council resolution. It was a practical, operational way of demonstrating how the international community, working together, can find a solution.

In the Commonwealth last week, we secured a common commitment that, at Seattle, we shall all work together to ensure that the next world trade round has a strong development dimension. We must ensure that not only the rich countries gain the benefits from the globalisation of trade. The Government are proud that we are carrying through a big expansion of our development programme. As Foreign Secretary, I frequently see the good will that that has brought us around the globe. It also enables us to take the leading role in international debate on how best we face the most profound millennium challenge—the elimination of the deepest levels of poverty throughout the world.

In the European Union, we shall continue to act as a leading advocate for the middle east peace process. If the political settlement is to be secure, we must also deliver a peace dividend for the Palestinian people. The European Union can play the lead. The European Union must open up access to its markets to both Israel and the Palestinian Authority on equal terms, and help provide the firm economic base on which a just and lasting settlement can be built.

Finally, in the Security Council, the United Kingdom played a leading role in the delegation to Jakarta which was instrumental in compelling Indonesia to accept an international military force in East Timor. At the Asia-Pacific conference I promised that we would not allow the cry for the freedom of East Timor to be drowned in blood, and we are delivering on that pledge.

[Mr. Cook]

In short, the international effort of the Foreign Office is as much multilateral now as it is bilateral. However, there are two bilateral relationships that will always be of strategic importance—our relationships with the United States and with Russia.

The Queen's Speech finds the Atlantic alliance in good health. Sometimes, I hear Conservative Members talking as if disengagement from Europe would help strengthen our Atlantic partnership. They are sadly mistaken if they imagine that those views are reciprocated in Washington. The more that Britain can influence thinking on the continent, the more it is valued in Washington as a prime European ally.

Britain's role in the Kosovo crisis, in maintaining the cohesion and resolve of the alliance, was possible only because of the trust and respect which we have built up on both sides of the Atlantic, which enables Britain to act as a natural bridge between them. I know that the hon. Member for Eastleigh (Mr. Chidgey) has wanted to intervene for some time; I am glad that he has now made up his mind to do so.

Mr. David Chidgey (Eastleigh): I was trying to choose the appropriate moment, so as not to interrupt the Foreign Secretary's flow. I am grateful to him for recognising that.

Does the Foreign Secretary not share my concern that, at the moment, the only thing that seems to distinguish the barbarism practised by Milosevic in Kosovo and that practised by the Russian generals in Chechnya has been the reaction of us in the west?

Mr. Cook: No, I would not agree with that at all. On Chechnya, there is a difference between us and Russia, and we have been robust about that difference. Indeed, only last week in Istanbul, I met Igor Ivanov, the Russian Foreign Minister, and at that meeting I stressed to him our three key demands: that Russia refrain from military actions that make the civilian population suffer; that it allow in humanitarian agencies to help the refugees, and, most important of all, that it accept that the crisis can be resolved only by a political process leading to a settlement. That is why I am glad that we secured language in Istanbul that provides a recognition for the role that the Organisation for Security and Co-operation in Europe could play in this matter and that provides an invitation to the OSCE's chairman-in-office to visit the region.

Before I return to my remarks about Russia, I wish to complete what I was saying about Atlantic security. Britain is able to be the natural bridge across the Atlantic, but, at the same time, Europe must shoulder its share of keeping that bridge strong.

Kosovo revealed that Europe must do more. There were more than 2 million men and women in uniform in the armed forces of the European allies, yet it took an heroic effort to deploy 2 per cent. of that total as part of a peacekeeping effort in Kosovo. We would not have been able to do it at all if we had taken the advice of the hon. Member for Stratford–on–Avon (Mr. Maples) who, at the start of the Kosovo conflict, complained that British troops in Macedonia

"have become a hostage to fortune and I query the wisdom of having pre-positioned them."—[*Official Report*, 25 March 1999; Vol. 328, c. 612.]

Had we listened to his wisdom, the British Army and its allies would not have been able to carry out the swift liberation of Kosovo when Milosevic submitted.

We must absorb the lesson of Kosovo. We must ensure that the European armed forces have the rapid, flexible, mobile capacity necessary for crisis management.

Mr. Tam Dalyell (Linlithgow): Before my right hon. Friend leaves the subject of Kosovo, will he comment on the statement that appeared under the byline of Robert Fisk in *The Independent* today, which said that NATO had refused to allow the United Nations to investigate the effects of the depleted uranium used this summer? Is that true?

Mr. Cook: We are in dialogue with the United Nations on that point and I would like NATO to be as co-operative as possible with the UN. Equally, we should not overlook the prime finding of the UN study on the environment in Serbia, which was that most of the pollution had occurred before the conflict began and as a result of neglect of the economy by Milosevic and his cronies.

Mrs. Alice Mahon (Halifax): Our partners used depleted uranium.

Mr. Cook: I have just told my hon. Friend the Member for Linlithgow (Mr. Dalyell) that we are in dialogue with the UN at present. I hope that that dialogue will produce a positive outcome. As the House knows, we used no depleted uranium in the course of any action we took in Kosovo and it is for the United States to decide how open it will be about what its national forces did.

Mr. Nicholas Soames (Mid–Sussex): Will the Foreign Secretary tell the House when it is likely that a completed battle damage assessment and the lesson learned from the Kosovo campaign will be made available to the House for a more detailed discussion than has been possible so far?

Mr. Cook: The NATO study of the impact of the bombing campaign in Kosovo has already been published. I am not aware that it is not in the Library; if it is not, I will make sure that it is placed there and made available to hon. Members such as the hon. Gentleman, who follows these matters closely.

The Foreign Affairs Committee is in the middle of its inquiry into Kosovo. I look forward to giving evidence to that Committee very shortly, and I am sure that the House will be enlightened by the outcome of that inquiry.

I was stressing that Europe must learn the lessons of Kosovo and we must expand our capacity for crisis management. Before concluding my remarks on that passage of my speech, however, I want to stress that the security initiative that Britain has commenced within Europe is about crisis management, humanitarian intervention and peacekeeping. It is not about the defence of the continent. That remains squarely the responsibility of NATO, and with one of our former British colleagues now in the post of Secretary-General of NATO, the Government are even better placed to make sure that Europe and NATO work closely together.

A secure Europe depends on a stable Russia. It is a matter of regret that 10 years on from the collapse of the Berlin wall, the Russian people have not secured the

economic and social benefits from democracy that their friends would have wished. It is in our interests to help the Russian people to secure a democracy dividend that will demonstrate to them that the new politics can produce real gains in their quality of life. Over the next year, Britain and our European partners will be taking forward a number of initiatives to help the Russian people with social concerns such as the alarming spread of TB. The west needs to be seen by the people of Russia as part of the solution to their domestic concerns, not only as the problem in their foreign concerns.

Mr. John Wilkinson (Ruislip–Northwood): Could not the Foreign Secretary link the provision of aid, particularly financial credits, to Russia to progress towards attaining the three objectives that he set Foreign Minister Ivanov in Istanbul with regard to Chechnya, namely a cessation of fighting, relief to the refugees and a political settlement? If the aid and credits to Russia are maintained while the war is prosecuted, it will seem that the west is subsidising a conflict that is bloody and inhumane.

Mr. Cook: I understand the hon. Gentleman's concern, and when I met Foreign Minister Ivanov, I put it to him that it is increasingly difficult for us to understand what purpose is being served by the scale of the military activity in Chechnya. We understand Russia's frustration at the lawlessness of the region, and all Members of the House will be aware that we have seen three British citizens become victims of violent crime in Chechnya in the most brutal and horrible manner.

It is, however, hard to see how terrorism will be rooted out by a military campaign of which the prime victims have been civilians who are every bit as innocent of terrorism as the victims of the original terrorist bombs. I would not therefore rule out any possible lever being considered at some future time.

I say to the hon. Member for Ruislip–Northwood (Mr. Wilkinson) that I do not find myself attracted to using that financial pressure because we should not lose sight of the fact that the current International Monetary Fund negotiations in Moscow are intended to help Russia to repay its existing debt to the international community and the IMF, and it is not clear how it would serve our interests to put Russia in a position where it defaulted instead. That said, we will use whatever platforms are available to us to press our concerns on Chechnya.

Last week, with my German and Dutch colleagues, I secured agreement within the European Union to those three demands on Chechnya. That agreement was given unanimously, by all 15 member states. That was a good example of Britain working for unity in Europe and to secure a stronger voice on world affairs than we could ever have on our own. The Government's world view starts from the perspective that Britain is a European nation. That is more than just the reality of geography. We share with those European countries the same values of freedom and social justice. We have inherited a common culture and civilisation. Since Europe began in the post-war era to build common structures, our peoples have benefited from half a century of peace and stability.

One of the most important issues for Europe in the coming year is to help the countries of the Balkans to share such peace and stability. We promised that we would make the defeat of Milosevic and his poisonous politics of ethnic hatred a turning point for the region. We are now delivering on that promise through the stability pact for south-east Europe. It is providing a framework for initiatives in the region to promote disarmament, to guarantee media freedom and to stimulate inward investment. Through the stability pact, we are sharing with the countries of the Balkans the key lesson of post-war Europe: the best formula for security is not arming our frontiers but dismantling barriers to trade, mobility and co-operation.

At the same time as the countries of the Balkans are keen to learn the lessons of post-war Europe, here in Britain we are faced with an opposition party that is equally keen to forget them. It would be unreasonable of me to detain the House too long in detailing why Tory policy on Europe is a mistake. [HON. MEMBERS: "Go on."] It is unnecessary; so many senior members of the Conservative party have already done the job for me.

The last Conservative Prime Minister has described his party's policy as

"absurd, politically crazy and economically crazy".

The last Conservative Deputy Prime Minister has said that his party is moving towards a policy of "incalculable folly". The last but one Conservative Foreign Secretary has described the policy as

"misleading, damaging, frivolous and unreal".

The last Conservative Foreign Secretary has termed it "bunker Toryism".

Several hon. Members *rose—*

Mr. Cook: I am thrilled that so many Conservative Members have leapt to their feet to support their party's leadership. I shall give way to the hon. Member for New Forest, East (Dr. Lewis).

Dr. Julian Lewis (New Forest, East): In the interests of balance, will the right hon. Gentleman comment on the words not of previous high officeholders of the Conservative party but of the present Prime Minister, who said in the election campaign prior to becoming an hon. Member:

"We'll negotiate a withdrawal from the EEC, which has drained our natural resources and destroyed jobs"?

Am I right in thinking that the Foreign Secretary subscribed to the same manifesto?

Mr. Cook: Demonstrably I did, since I was elected in 1983, as was my right hon. Friend the Prime Minister. One of the points that makes us despair of the Conservative party's approach to Europe is the sheer inability to learn from what has happened over the past 20 years. The idea that we should all be mired at some point 20 years ago without noting what has happened since is exactly why Conservatives cannot come to terms with the modern world.

Mr. John Bercow (Buckingham) *rose—*

Mr. Cook: I shall give way to the hon. Gentleman later because I am about to refer to him. He should be seated just now. I promise that his turn will come; he is already in my speech.

[Mr. Cook]

The shadow Foreign Secretary may wish to take the opportunity to respond to such critics of his policy. If he is to be convincing, he must answer one question: can he name a single European member state that supports his demand for a pick-and-mix Europe? *[Interruption.]* Norway is not the correct answer. If the hon. Gentleman cannot do so, what will he do when every other member state says no to his policy? At the Conservative party conference, his leader said that there would be no new treaty from the intergovernmental conference unless the other member states said yes.

The protocol to the Amsterdam treaty is clear; it resulted from an amendment that I moved during the summit. Without reform of the European institutions, there can be no further enlargement. If there is no new treaty, no new member states will be allowed to join. The masterstroke of the shadow Foreign Secretary's policy is to unite the 13 countries that are trying to join the EU with the 14 existing member states in the same frustration with the British Conservative party. The Tory Euro-sceptics are the modern militant tendency.

Mr. Bercow *rose—*

Mr. Cook: The hon. Gentleman's turn is coming soon.

Those Euro-sceptics have saddled their leadership with a policy of demands that are impossible for them to fulfil. The Tory Euro-sceptics do not want their demands to be met successfully: they want failure, because from failure will come a crisis in Britain's relations with Europe, which they will use as a pretext to withdraw Britain from Europe.

Mr. Bercow: Will the right hon. Gentleman give way?

Mr. Cook: Oh, very well—I cannot wait any longer.

Mr. Bercow: I am grateful to the Foreign Secretary for giving way. No sensible person—from which category one should probably exclude the right hon. Gentleman—would favour European Union enlargement at any price. Given his risible failure at Foreign Office questions on 2 November to do so, will he now give a categorical commitment that he will not sign any EU enlargement treaty that allows for the erosion or diminution of national vetoes in respect of defence, border controls or taxation?

Mr. Cook: I said during Foreign Office questions that that is precisely our policy and we have no intention of changing it; I do not know what more the hon. Gentleman wants. Since he mentions people of good sense, I shall remind him of some of his own remarks—after all, he should take some credit for having, in part, masterminded the shift in Opposition policy. He said:

"renegotiation should start from the premise that we will stay in the EU if we can strike a deal and pull out if we cannot".

Much as our European partners respect Britain, it is possible that, confronted with the hon. Member for Buckingham (Mr. Bercow), they will suggest that he skip the renegotiation and go straight to the pulling out.

By contrast, the Government are firmly committed to maintaining Britain as a full member of the European Union. Last year, more than half our exports went to other member states, so we have to be there when they make the rules under which our businesses sell and export their goods. The inward investment that comes to Britain comes not to sell to Britain, but to export to the whole of the European Union—the largest single market in the world, with 370 million consumers. We have to show that we are committed to staying in if we want business men in Tokyo and Texas to show their commitment to investing here.

Membership of the largest single market in the world gives Britain a clout in international trade talks that we would never have on our own. For the past two months—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Foreign Secretary, but I have to tell the hon. Member for Buckingham (Mr. Bercow) that he has spoken for 34 minutes in the debate on the Queen's Speech so far and I do not want to hear him add to that total from a sedentary position.

Mr. Cook: Thank you, Mr. Deputy Speaker. However, to intercede for the hon. Gentleman, I should say that we on the Government Benches relish his interventions when they are made from a standing position.

Britain has been helping to shape Europe's mandate for the next round of World Trade Organisation negotiations, to be held in Seattle. Did we not do so, member states in the rest of Europe would draw up a mandate that suited their interests, not ours. That is why our strategy is to make Britain a leading partner in Europe: a Britain that is shaping Europe, not shunning Europe.

Because we support the EU, we want it to be modernised and reformed. In that respect, the Opposition spokesman could use a little help from his party's Members of the European Parliament, who last month voted to prevent the new anti-fraud office from investigating MEPs' accounts. They were perfectly happy for it to investigate the Commission, the Council and even the staff, but not themselves. Last week, most were shamed into reversing their vote, but three Tory MEPs still voted to keep the anti-fraud office from investigating MEPs' accounts.

Conservatives cannot be taken seriously when they practise the double standard of promising reform in Britain, but voting against it in Brussels. Nor can they be taken seriously when, with one breath, they pledge that the euro is such a fundamental threat to national sovereignty that they will ban it, but, with the next, say that they will ban it for one Parliament only. Will the hon. Member for Stratford-on-Avon tell us whether keeping Britain out of the euro is a great principle of eternal truth, or just a small principle with a sell-by date? He would be wise to clear up that point before he despatches his leader to tour Britain, campaigning to ban the euro from the back of a flat-bed truck—if he ever finds a truck that has not been made within the euro zone. The decision on whether or not to join the euro will be of fundamental significance to Britain and it is important that we get it right. It is important that we make the right decision for Britain. The decision must be made by giving honest answers to the questions that reflect the real world, in which Britain could soon be the only country in the European Union outside the euro zone.

If the euro proves a success and if our five economic conditions are met, we shall let the people have the choice through a referendum, in which they can decide what is

in the national interest. Whether or not we join the euro, it will be a fact of our lives. Last month, BMW announced that it was to pay Rover suppliers in euros. That will bring the reality of the euro to the accounts of big companies trading across the channel and to scores of small firms in the west midlands. Marks and Spencer and Siemens have announced similar moves.

The awkward truth for Euro-sceptics is that they cannot ban the euro by blockading the ports and preventing it from getting in as in a mirror image of French farmers. There is an underlying unreality to the hostility of Opposition Members to integrating with our neighbours. That was caught perfectly in a headline in the *Daily Express* which read:

"Hague Wages War on World".

Opposition Members are swimming against the tide of the powerful and rapid current of globalisation.

Back in the real world of interdependence, the deepest political divide is between those who embrace the cosmopolitan character of the modern world and those who reject it and want to retreat into isolationism. Opposition Members are firmly into isolationism. They will never come to terms with globalisation so long as they make their starting point being as rude as possible to our immediate neighbours.

Labour has always been a party of internationalism. We recognise that the more we play a full part in the international community, the more secure we make our country and the safer we make the world. The most moving experience for me over the past year was when I walked the streets of Pristina and saw the joy of the people of Kosovo at their liberation. One of them described it to me as emerging from one long dark night into the dawn. Their liberation was secured through a campaign by an international alliance in which Britain helped maintain resolve. Their administration is now provided through an international mandate which Britain helped to draft. Those who attempted to ethnically cleanse them are being pursued through an international tribunal, which has received more support from Britain than from any other country.

Kosovo demonstrated that although Britain may not be able to act on its own, it can and does make a leading contribution in partnership with others. It is on the basis of that successful record of building new partnerships and strengthening old alliances that we ask the House to support the Government in making Britain a leading player in Europe and a respected force for good in the world.

5.8 pm

Mr. John Maples (Stratford–on–Avon): I was going to offer the Foreign Secretary more than 30 seconds of consensus at the beginning of my speech. He can certainly have it on praise for the diplomatic service, although I suspect that it will think it a pity that it has taken him two and a half years to praise it. It would have appreciated his praise at the time of the Sierra Leone affair, when he was blaming his officials for the shortcomings of his own policy. His officials, many of whom I meet in my present role, do a wonderful job for Britain abroad.

The right hon. Gentleman could have had a greater degree of consensus had he not spent the first 10 minutes of his speech praising himself for his few successes and the last 20 minutes of it criticising by caricature our policy in various areas. I find it extraordinary that a British Foreign Secretary has not taken the opportunity to talk more widely about British foreign policy, given that we have not had a foreign affairs debate, apart from on Kosovo, for well over six months. Surely we are entitled to a more in-depth report on his custody of his office.

There are a great many areas of agreement between us, which is as it should be on foreign policy. However, there are areas of fundamental disagreement, one of which is the European Union and another the European security and defence identity. I shall touch on both. Next week, we have a full day's debate on the European Union, so it is somewhat surprising that the right hon. Gentleman chose to use up so much of his time today discussing a subject that we shall debate at length next week. I am perfectly happy to speak about Europe, even though we shall debate it for a whole day next week. The Foreign Secretary chose to debate it today, but he has not mentioned China, the far east or Africa. There was a passing reference to the middle east, but he spent most of his speech criticising a misrepresentation of our policy.

There are areas of agreement. I go back to the consensus with which I would have started, had the Foreign Secretary not made his particularly small-minded speech. We all share the optimism about the progress in the middle east, East Timor and Cyprus. There is greater reason for optimism about those areas than there has been for a long time. There are dangers still in North Korea, Libya and Iraq, and in relation to rogue states and rogue actors such as bin Laden, and we would agree on how we should attempt to contain those.

There is the question of managing the difficult relationships that we have with Russia, an empire in decline—and China, an empire almost certainly in the ascendant. We welcome the end of the fighting in Kashmir, although, as the Foreign Secretary learned to his cost some time ago, the negotiation of peace is a matter for the countries involved, not for us.

We support the Government's moves to have the military regime in Pakistan suspended from the Commonwealth. However, I am sure that the Foreign Secretary would agree that the previous democratically elected Governments of Benazir Bhutto and Nawaz Sharif were not exactly a byword for liberal democracy and were among the most corrupt Governments, both economically and politically, that we have witnessed. I hope that the Commonwealth will play a role in trying to help Pakistan back to a more genuine democracy than it enjoyed under those Governments. Wrong as the military regime may be, it is not a typical military takeover and we should try to encourage Pakistan back to democracy.

The tragedy of Africa continues, with wars in the Congo and between Ethiopia and Eritrea. We regard those as tasks for the United Nations, and we join the Government in giving the UN Britain's wholehearted support.

In Iraq, there is an urgent need to re-establish UNSCOM. Containing the threat to peace is probably the best that we can hope for in that region.

Dr. Jenny Tonge (Richmond Park): Does the hon. Gentleman agree that a significant step towards solving

[Dr. Jenny Tonge]

Africa's problems would have been some mention in the Queen's Speech of legislation to control the activities of arms brokers?

Mr. Maples: A mention might have been expected in the Foreign Secretary's speech today.

We agree with the Government on the Balkans, and we are behind the policy. Despite the Foreign Secretary's small-minded remark about troops in Macedonia, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the former shadow Foreign Secretary, and I supported the Government on that policy during the campaign. They were entitled to our support, and they received it. However, there are problems in the way policy and events are unfolding in the Balkans.

In our debate in June, the Foreign Secretary said that the Government were

"determined to make every attempt to create a pluralist, multi-ethnic Kosovo",

and would not allow

"the ethnic cleansing of the Serb population in Kosovo, nor of any other ethnic minority."

The United Nations High Commissioner for Refugees estimates that about 170,000 of the 200,000 Kosovo Serbs have now left Kosovo.

The Foreign Secretary went on to say that there could be no future stability

"if we try to sweep every ethnic group into its own pure cantonment".—[*Official Report*, 17 June 1999; Vol. 333, c. 585-6.]

However, that now appears to be happening in northern Kosovo, where there is effectively a Serb sub-region and some evidence that Milosevic is helping to organise it.

In his speech, the Foreign Secretary promised that we would make sure that refugees had shelter for the winter, but that is not happening. I am not sure of the reason for that, and whether it is the fault of the UNHCR, which estimates that only 50,000 of the 120,000 damaged homes in Kosovo will be fit for habitation this winter. I know that there are serious troubles on the Macedonia border with the way in which customs posts are being used and lorries held up, but I hope that those matters can be resolved.

KFOR has been an undoubted success in Kosovo, but I am not sure that UNMIK, the United Nations civilian mission, has. Recent reports show that there is serious disquiet about morale among mission members being at an all-time low and huge sums of money being wasted. They show that ethnic Albanians and Serbs, infuriated by the incompetence of the administration, have largely taken the governing of the province into their own hands.

I hope that we are doing something to improve UNMIK's performance and to try to resolve the difficulties, because it seems that the situation is rapidly moving towards ethnic cantonment—exactly what the Foreign Secretary said must be avoided—and that the chance of reintegrating Kosovo into Serbia or Yugoslavia is almost impossible.

As I said in our debate in June, a danger continues to hang over Montenegro, with 15,000 Yugoslav troops in Macedonia. General Wesley Clark is quoted in a recent edition of *U.S. News and World Report* as requesting and receiving Pentagon approval to draw up plans for possible NATO military action in Montenegro. I have asked the Foreign Secretary about that before; the Government's policy on the matter is not clear. Are we committed to Montenegro's integrity? There is a danger of NATO being sucked into a conflict.

The normalisation of Serbia is crucial to the stability and economy of the region. We agree with the Government that progress cannot be made until Milosevic goes. However, is some progress possible on the Danube, which is blocked? That blockage is seriously damaging the economies of other countries—more than that of Serbia, which uses it less than other countries. Serbia has a legal obligation to clear the Danube, but it insists that NATO should do that and pay for it. Has the Foreign Secretary any ideas about the way in which that problem might be resolved?

There is some evidence that the Dayton agreement is failing in Bosnia. Refugee returns across internal borders have been almost non-existent. The UNHCR states that only 340,000 refugees have returned to Bosnia-Herzegovina since Dayton—93 per cent. to the federation and 0.7 per cent. to Republika Srpska. No non-Serbs are being allowed to return to Republika Srpska. The United Nations at least acquiesces in that, but if it is allowed to go on, Dayton will not work. There is a danger that Tudjman's successor will try to incorporate the Croat part of Bosnia-Herzegovina into Croatia. If that happens, Republika Srpska will also almost certainly try to break away. What are we doing to try to ensure that ethnic cantonments are not created, and to achieve our original objective? The United Nations and NATO need to get a grip on matters and stop the drift; otherwise, a solution will be imposed on the ground, and the ethnic cleansers will have won in Bosnia and Kosovo.

We got involved in Kosovo without a United Nations Security Council resolution that authorised force. The Foreign Secretary and the Defence Secretary assured us that our intervention was legal. However, that has since become a matter of dispute. The British and the Foreign Office view of the legality of such intervention must be settled. The Prime Minister set out a moral right of intervention and something of a moral crusade in his Chicago speech and his article in *Newsweek*. The Foreign Secretary supported that in his speech to the United Nations General Assembly. He said that we must work out the rules, and Kofi Annan made similar comments. What are we doing to work out the rules? Indeed, what are the rules?

A recent pamphlet published by Mark Littman QC claims that there is no legal justification for the intervention in Kosovo. He quotes from a 1984 Foreign Office document that considered the right of intervention. It states that

"the overwhelming majority of contemporary legal opinion comes down against the existence of a right of humanitarian intervention".

Mr. Denis MacShane (Rotherham): Things have moved on since 1984.

Mr. Maples: Perhaps that is so, but I want the Foreign Secretary to explain, because the argument for the right of intervention in Kosovo stood on two planks: Serbia's breach of three United Nations Security Council resolutions, which somehow internationalised the conflict and legitimised NATO's actions; and the various treaties

on human rights. The mention of human rights in the United Nations charter somehow superseded the charter's other provision, which states that the only legitimate uses of force are self defence and pursuance of a UNSC resolution.

There is an attempt in the United Nations to develop the right of intervention as a doctrine. That requires legal principles, and we want to know what they are. In the international community, there is a clear division of views: Britain, the United States and Germany want to be able to act without United Nations authorisation; France believes that United Nations authorisation is necessary; and other countries, led by Russia and China, claim that no such right exists. The Foreign Office must take a view. The hon. Member for Rotherham (Mr. MacShane) said that events had moved on since 1984, which is true, but the Foreign Office has not presented another view on the international legality of intervention since then. I invite the Foreign Secretary to present such a view and to publish the basis on which we believe such intervention to be legal. Our attitude to events in Kosovo, East Timor and Chechnya has been radically different and, despite all the moral rhetoric about crusades, the Government are adopting a rather practical policy in those matters. We cannot intervene in lots of places—it is simply impractical or too dangerous—and I believe that foreign policy should be based on British interests, not moral crusades.

Of course, British interests involve a strong preference for democracy and human rights, but we also have an interest in stability and a peaceful world, which relies on relationships with other powers. We need to ask ourselves some hard questions about the moral doctrine and the legality of intervention if it is to be a feature of NATO policy in future. I am not saying that it should not be a feature—I wholly approve of what NATO did in Kosovo—but we need to understand rather better the moral doctrine and, more particularly, what international legal view the Foreign Office takes.

Mr. Dale Campbell-Savours (Workington): I wholeheartedly support the hon. Gentleman's proposition. In all the international disputes with which we have been involved over the past 20 years, there have always been rows in the House of Commons about the legal justification, both before and during those disputes. It would be helpful if we could have those matters updated, because many of us have a great interest in them.

Mr. Maples: I welcome support from any quarter; perhaps the Foreign Secretary will listen to his hon. Friend if he will not listen to me. We need to be slightly clearer about the basis on which the House is invited to authorise military action and to be sure that it is legal. I understand that international law is an organic matter that moves on with circumstances and practice, but we need a slightly better basis than we have at the moment, particularly as the only outstanding document from a British Government—admittedly a previous Government—denies the legal right of such intervention.

That leads me to the Government's so-called ethical foreign policy, which the Foreign Secretary launched in one of his first acts, as though ethics was something new and people such as Geoffrey Howe, Douglas Hurd and Malcolm Rifkind had been unethical and had pursued unethical policies.

Mr. MacShane: Lord Archer.

Mr. Maples: I do not think that Lord Archer was ever Foreign Secretary, or likely to be.

Ethics has always been part of foreign policy, both in its conduct and its objectives, but the Foreign Secretary made it the main objective. By doing so, he has opened himself to charges of hypocrisy and foolishness. His pretentiousness knew no bounds, and he even made a video about it to complement his speech. I refer him back to that speech, because it illustrates some of the points that I am making. He listed a series of human rights that he said were important—not all of them, because he said there were too many to do that—and then, rather pompously and with no apologies to Thomas Jefferson, he said:

"We hold these rights to be self-evident",

as though he had coined the phrase himself and it had not been said 225 years earlier by somebody else.

The Foreign Secretary then listed certain commitments on behalf of the Government, and I should like to remind him of some of them. He said:

"Britain will support measures within the international community to express our condemnation of those regimes who grotesquely violate human rights".

Not, apparently, including China. He went on:

"Britain will fully support sanctions applied by the international community."

Not, apparently, including sanctions on Cuba. He added:

"At multinational conferences, such as the annual meeting of the Commission on Human Rights, Britain will"—

[Interruption.] I am coming to Cuba. I have something to say about the right hon. Gentleman's views about Cuba, because he has contradicted himself about it. *[Interruption.]* No, there are United States sanctions on Cuba. [HON. MEMBERS: "Ah!"] Let us come to the next charge.

The Foreign Secretary said that at meetings

"of the Commission on Human Rights, Britain will support measures and resolutions which criticise abuses of human rights".

Under his stewardship, Britain, for the first time, failed to sponsor the United Nations resolution on human rights criticising China. He went on:

"Britain will support the proposal for a permanent International Criminal Court."

However, as we have heard again today, not yet. *[Interruption.]* It is more than a year since we signed the treaty—a whole parliamentary Session has gone by and now, apparently, most of another is to go by. He said:

"Britain will give stronger support to media under threat from authoritarian regimes."

That, apparently, did not extend to him meeting Wei Jingsheng, China's most famous human rights activist, at that gentleman's first request.

Mr. MacShane: The Foreign Secretary met him.

Mr. Maples: The Foreign Secretary met him eventually, but he refused to meet Wei Jingsheng—who

[Mr. Maples]

described the right hon. Gentleman as two-faced on human rights—on his first visit to Britain. I accept that I may not be an authority on human rights, but Wei Jingsheng certainly is. He has spent half his life in jail in China and the Foreign Secretary refused to meet him the first time that he was asked to do so. Under considerable pressure from us, the media and other people, he eventually met him.

This is what I wanted to say to the Foreign Secretary. Nowhere in politics is policy more driven by facts outside one's control than in foreign policy, and it is those facts that have exposed the hollowness of the Foreign Secretary's pretentious position on human rights. In Kosovo, in East Timor, in Chechnya, we have seen columns of refugees, we have seen provinces seeking autonomy or independence from effectively imperial masters, and we have seen brutal repression; but our responses to all those have been very different. In Kosovo, we rightly launched a moral crusade. In East Timor, we did a little. In Chechnya, until this week, we have done absolutely nothing. We waited for someone else to take the lead on East Timor, and until last week we had nothing to say about Chechnya.

I told the Foreign Secretary that I would return to the subject of Cuba. In his party conference speech, he contradicted himself in the space of half a page. Cuba is, of course, one of the left-wing dictatorships for which the Foreign Secretary has a predilection. He said, "Britain has held talks"—*[Interruption.]* I bet the right hon. Gentleman had posters of Che Guevara on his walls when he was a student. *[Interruption.]* This Foreign Secretary, who spent much of his speech lecturing us on Britain's place in the world, is the Foreign Secretary who used to be a campaigning member of the Campaign for Nuclear Disarmament, who begged Labour conferences to pass motions on nuclear disarmament, and who was a tacit friend of the Soviet Union during the cold war. No doubt he was what one of his childhood heroes would have described as a useful idiot.

Mr. Malcolm Savidge (Aberdeen, North): Will the hon. Gentleman give way?

Mr. Maples: Not yet; not to the hon. Gentleman, anyway.

In his party conference speech, the Foreign Secretary said:

"I made it clear we want to see better human rights"—

[Interruption.] Hon. Members should listen. The speech contains a direct contradiction within the space of a few lines. The Foreign Secretary said:

"I made it clear we want to see better human rights in Cuba. But we have a better chance of getting them, not by blockading Cuba but by making the world open to Cuba."

Four paragraphs later, referring to Burma, the right hon. Gentleman said:

"It is because of their behaviour that this Government has stopped all support for trade with Burma and discouraged any tourism to Burma."

There is no consistency there. If we are in favour of trade sanctions to stop human rights abuses, surely that applies to both countries—but it seems that we have a soft spot for left-wing dictatorships.

Mr. Robin Cook: Will the hon. Gentleman give way?

Mr. Maples: I will in a moment, but I want to make another point first. Perhaps the right hon. Gentleman can answer this point as well.

We saw a similarly prejudiced reaction in the case of General Pinochet. Here we have a right-wing dictator, no doubt part of the demonology of the right hon. Gentleman's youth. The right hon. Gentleman showed how the Government were prepared to sacrifice the interests of a nascent Chilean democracy and the interests of the Falkland islanders to indulge again the stupid prejudices of his youth. There is no consistency in that policy, and the right hon. Gentleman should not have allowed himself to be exposed to this charge of hypocrisy.

Mr. Cook: I make no complaint about the hon. Gentleman's attack on me, but I feel that he should reflect on whether he should begin by complaining that others attack him in their speeches in the House.

Let me return to the serious point that the hon. Gentleman made about Burma. He attacked me for what I said about that country. Let me get this clear: are the Opposition saying that our position on Burma is wrong? Is the hon. Gentleman aware that the Burmese Government are one of the rare Governments in the world who connive in the heroin trade? They have carried out massive ethnic cleansing of many Burmese tribes; they have been denounced by the International Labour Organisation for their practice of forced labour; they rule by power, and by power alone; they have 200 elected MPs in prison; and they refuse to deal with Aung San Suu Kyi. Is the hon. Gentleman saying that, in the light of all that, he thinks that we should support trade with Burma—yes or no?

Mr. Maples: I think that the Burmese regime is one of the nastiest in the world and that we should do all that we can to improve human rights in Burma. What I am saying to the Foreign Secretary is that he contradicts himself: he has a policy that puts human rights in Burma at the top of the agenda, but not those in Cuba.

Let us deal with what the right hon. Gentleman did last week, at the Commonwealth summit. We are really tough on Pakistan, because it has a military dictatorship, but we are soft on Zimbabwe, Kenya and Malaysia, where political opponents are beaten up and imprisoned. In many such countries, Governments have even tried to kill them. We have the laughable situation of the President of Zimbabwe being on a high-level team to examine and settle the future of the Commonwealth. The President of Zimbabwe runs a Government who are probably the worst human-rights abuser in the Commonwealth, but the Foreign Secretary goes along with that. All I am saying is that foreign policy is and should be driven largely by the facts with which one is confronted. The Foreign Secretary has got into a mess, opening himself up to the charge of hypocrisy that I level at him, by the pretentiousness of elevating human rights as though it would be the sole objective of his policy.

Mr. Menzies Campbell (North–East Fife): Can the hon. Gentleman clear up one ambiguity that has arisen as

a result of what he has said? Does he support the Helms-Burton legislation, which is characterised by the fact that it seeks to take extraterritorial jurisdiction over countries that are far away from the United States simply because companies in those countries may seek to trade with Cuba?

Mr. Maples: The Foreign Secretary can probably defend himself without the Liberal Democrat spokesman's intervention. I do not support the Helms-Burton Act. I have never supported the attempt to extraterritorialise United States trade policy, but the right hon. and learned Gentleman is virtually a part-time member of the Government. We have now found out that, before the election, the Liberal Democrats were conspiring with the Labour party, unknown to the electorate—[HON. MEMBERS: "Answer the question."] I have answered the question: I said no.

Mr. Donald Anderson *rose—*

Mr. Tony Worthington (Clydebank and Milngavie) *rose—*

Mr. Maples: Let me finish; I can deal with only one intervention at a time.

Mr. Anderson *rose—*

Mr. Worthington *rose—*

Mr. Maples: No, I will not give way. I will turn to China.

Mr. Worthington: Will the hon. Gentleman give way?

Mr. Maples: I have said that I am not giving way for the moment.

China must have one of the worst human rights records in the world. The Foreign Secretary made a bad start by, as I have said, refusing to meet Wei Jingsheng. As we all know, China's record extends from the rape of Tibet to the kidnap of the Panchen Lama and the suppression of democracy activists who were trying to use their rights under a UN convention that China signed only last year. We laid on a state visit. Pinochet gets arrested, but the Chinese President gets dinner with the Queen.

The Minister of State, Foreign and Commonwealth Office (Mr. John Battle): The Queen visited China in 1986.

Mr. Maples: Then we saw the obscenity of the heavy-handed policing.

Mr. Battle: She visited China in 1986.

Mr. Maples *rose—*

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Member for Stratford-on-Avon (Mr. Maples), but the Minister of State must contain himself.

Mr. Maples: Perhaps the Foreign Secretary could put the Minister of State out of his misery and let him make a speech in the Chamber some time.

The heavy-handed policing of the demonstrations when the Chinese President was here was extremely unusual. We now discover that it was conspired in the Foreign Office. I met Wei Jingsheng during the events of that week. He had been outside Buckingham palace on the pavement, standing peacefully. He had pulled a banner out of his jacket, which said simply, "Free political prisoners." He was grabbed by three policemen, two of whom pinned his arms to his sides. The other tore the banner out of his hand. *[Interruption.]* The hon. Member for Rotherham should be ashamed that that happened. It did happen and there is no justification for it.

I saw Wei Jing Shen a couple of hours later. He said that Chinese secret policemen in the crowd were identifying people such as him to the British police. Labour Members choose not to believe Wei Jingsheng, who has better credentials than anyone in the Government on the matter.

We then found out as a result of questions to the Foreign Office that it had no less than eight meetings with the police before the visit and that 35 Chinese secret policemen accompanied the President. The reason was given away by the Minister of State, who said in a written answer:

> "Foreign and Commonwealth Office officials and the Metropolitan Police discussed the proposed programme for the State Visit and the concerns of the Chinese authorities about the possible impact of demonstrations on the visit."

We are not talking about the safety of the Chinese President—of course he is entitled to that protection; we are talking about the impact of demonstrations. The Foreign Office sought to suppress those.

Mr. Battle: Will the hon. Gentleman give way?

Mr. Maples: Not for the moment.

The Foreign Secretary and his officials conspired with the Chinese to prevent lawful demonstrations by human rights activists. I do not suppose that he will make a video about that. The self-styled champion of global human rights has been exposed as a fraud, a mouse that cannot even squeak, let alone roar, when the Chinese are the audience.

Mr. Battle: Will the hon. Gentleman confirm that the Queen visited China in 1986 under the previous Government and that the recent visit of the Chinese President was a return visit? Will he also confirm that there are usually meetings between officials when there is any state visit? I spelled out in repeated replies in the House that there was no collusion between our Department and the police. There were no meetings between Ministers and the police. The Chinese were informed that there would be demonstrations in this country and that they would, as usual, be freely respected. Will the hon. Gentleman also confirm that no one was arrested, no one was charged or countercharged, and no one has reported having been arrested or charged as a result of the visit? What is the difference between that and the way in which the Department dealt with state visits when he was a Minister, except for the fact that he took no action?

Mr. Maples: My God, have we touched a raw nerve? The hon. Gentleman gave the game away in answers to his hon. Friend the Member for Cynon Valley (Ann Clwyd). He said:

"Foreign and Commonwealth Office officials and the Metropolitan Police discussed the proposed programme for the State Visit and the concerns of the Chinese authorities about the possible impact of demonstrations on the visit."—[*Official Report*, 28 October 1999; Vol. 336, c. 993W.]

It appears from the prompting that the Minister was getting that he did not know that the Queen had visited China until his hon. Friends behind him tipped him off, but two things have happened since then. The first was Tiananmen square, and the second is the Foreign Secretary's human rights policy. I have no objections to the Chinese President paying a state visit, but the Foreign Secretary should have if he believes in his human rights policy. However, we have found that his policy allows him to bully and lecture the weak while kowtowing obsequiously to the strong.

Before concluding, I want to move on to the two foreign policy issues on which we disagree fundamentally with the Government. They are profoundly wrong on the European security and defence identity. The policy will weaken our security and that of Europe; it will undermine the transatlantic alliance; and it breaches Madeleine Albright's three conditions of no duplication, no discrimination and no decoupling. There was a press briefing in the Foreign Office on the subject today. We are used to the press being briefed a few hours before the House of Commons is told, but no press release was issued. Apparently a paper is to be issued on Wednesday. I suppose that that is so that this debate is well out of the way.

The Government's position changed at St. Malo. At the Amsterdam summit, the Prime Minister refused to go along with the proposals on the European defence and security initiative. He said that it was an ill-judged transplant. He changed his mind last November because we were not going to be in the first wave of the euro and he desperately needed something to resurrect his European credibility and the good reception that he gets from other EU leaders. No other explanation has been given for that U-turn. The Berlin accords in 1996 clearly envisaged the development of a European pillar inside NATO, but the St. Malo agreement talks about it being inside or outside the NATO alliance.

The Foreign Secretary has repeatedly told me that the Americans are happy about the developments and that they were endorsed at the Washington summit, but that is not true. The strategic concept said that

"the European Security and Defence Identity will continue to be developed within NATO."

That is not happening. Any ambiguity has been removed by the Cologne summit and the various bilateral summits this year. We are clearly talking about the European Union absorbing the Western European Union without dealing with the problem of discrimination against countries that are in NATO but not in the European Union, such as Norway and Turkey, or new members of NATO, such as Poland, Czechoslovakia and Hungary, which are very unhappy about the development.

The Cologne summit called for European Union military spending on intelligence, transport and command and control. That is expensive duplication. Those assets already exist in NATO. At a time of falling defence budgets in every European Union country, it is stupid to duplicate expenditure on assets that already exist.

Mr. Campbell-Savours: Did the hon. Gentleman say Czechoslovakia?

Mr. Maples: I think that I said the Czech Republic, but if I said Czechoslovakia I mis-spoke myself.

Sir Peter Emery (East Devon): Before my hon. Friend leaves this subject, will he comment on the great danger that if the Western European Union is taken over by the European Union, four EU nations which are neutralist and not members of NATO will be making military decisions and will have some say about military decisions taken by the WEU and, therefore, by NATO?

Mr. Maples: My right hon. Friend makes a good point. I am concerned about the premature folding of the WEU into the European Union. The WEU provides an extremely useful meeting point for countries that are in one of the bodies but not the other, but it is now to go. Those countries which are useful and valuable allies in NATO but which are not in the EU will not have a say, but countries which are neutral and, frankly, not useful as military allies will have a say.

I said that we had breached the conditions of discrimination and duplication, but we have also breached the decoupling condition. At the Franco-Italian summit in Nimes in September, there was a call for the European Union to have permanent political and military bodies responsible for security and defence questions—that is, military committees. If that is not decoupling Europe from NATO, I do not know what is.

The Foreign Secretary told us that there will be no European army, but all last week we were hearing about a 30,000 to 40,000-strong Euro corps. If he thinks that the United States was not concerned about this at the time of the Washington summit, he should read the recent speech given by Strobe Talbott, the Deputy Secretary of State, in London last month. He said:

"We would not want to see an ESDI that comes into being first within NATO but then grows out of NATO and finally grows away from NATO, since that would lead to an ESDI that initially duplicates NATO but that could eventually compete with NATO."

Two other things had bothered him. The Anglo-French summit at St. Malo raised concerns among non-EU allies—to which I have just referred—and the EU leaders' declaration at Cologne in June,

"which could be read to imply that Europe's default position would be to act outside the Alliance whenever possible, rather than through the Alliance."

That seriously concerns us, and it is now developing.

It is clear from the speeches of many European Commissioners and Mr. Solana that the United States is right to be concerned, as they want a European Union foreign policy that is backed by a European Union military force outside NATO.

The Secretary of State for Defence (Mr. Geoffrey Hoon): Did the hon. Gentleman also read that part of Strobe Talbott's speech in which he said that he supported the ESDI, as did the United States?

Mr. Maples: Yes, but that is polite cover. *[Laughter.]* I happen to have discussed this matter with Strobe

Talbott, and his views are perfectly clear to me. The communiqué in Washington said that the initiative would be developed within NATO. He is happy about that, as am I. If we develop the ESDI within NATO—a European pillar, as envisaged at Berlin—my right hon. and hon. Friends and I will be totally happy. We started that process.

We do not like the initiative being taken out of NATO and given to the EU, which is not the right organisation for it. The Government have surrendered to France what the French have long wanted—an alternative to NATO.

Mr. Michael Howard (Folkestone and Hythe): On the disingenuous intervention from the Secretary of State for Defence, is it not the case that Strobe Talbott said that the US support for the ESDI

"will be guided by the answers to two questions"?

He went on to detail those questions, one of which related to the precise quotation from his speech that my hon. Friend gave the House a couple of minutes ago.

Mr. Maples: Disingenuous interventions by the Secretary of State may fool a few Labour Back Benchers, but he should not let himself be blinded to what is happening in foreign policy. It is being changed—there is no point in pretending that this initiative is not developing outside NATO. It is, and that is the French agenda.

On 8 November—the anniversary of the fall of the Berlin wall—President Chirac made an incredibly anti-American speech in Paris. He called for

"the European Union to work for a multipolar world that contained US military . . . power."

This agenda has been pursued by the French for some time, and the Foreign Secretary and the Prime Minister have fallen for it. It is a dangerous policy, and it is not in the UK's interests. It will weaken NATO and substitute something with less political credibility and less military clout.

Everybody in Europe is cutting defence budgets, and we will need to duplicate certain things to make the ESDI work. It is possible to make it work if we are all prepared to spend a lot more money, but we are not. The idea that we can strike out on our own is a dangerous fantasy. It is the Foreign Secretary's job to stop the Prime Minister playing games with our long-term security for his own personal vanity.

The Foreign Secretary spent an awful lot of his speech dealing with our policy on the European Union, so let me say what it is after I have dealt with what he has succeeded in getting in the EU. His handling of European affairs has been characterised by surrender. He has raised pre-emptive concession to an art form. The Government signed up to the social chapter without getting anything in return. At Amsterdam, they gave up our veto in 16 areas and asked for nothing in return.

The European security and defence identity is a 180-deg reversal of policy. The Government conceded ground on the corpus juris at Tampere. They are trying to introduce the single currency by stealth, and I believe that they are planning to give up our veto in more areas at next year's intergovernmental conference.

What is the purpose of all that? The Prime Minister says that it is to generate good will. He says, "We will have much better relations than those awful Conservatives had with the Germans and the French and we will be able to get things in exchange." Until a month ago, when asked what we got in exchange, he said that we got the beef ban lifted. That was the only prize that he could identify from the ream of surrenders and pre-emptive concessions. Apparently, our relations with France were not even good enough for the Minister of Agriculture, Fisheries and Food to telephone his French counterpart for a week. I do not know whether they had lost one another's phone number or could not find an interpreter.

This is pathetic. We have surrendered long-term, hard-won interests for good will, and all we have gained is the supposed lifting of the beef ban, which has not even happened. That really illustrates the bankruptcy of the Government's policy.

Mr. Bercow: In the light of the Foreign Secretary's low music-hall bluster, does my hon. Friend recall that, at column 86 on 2 November, the Foreign Secretary, having been invited by my hon. Friend to commit himself to veto an enlargement treaty that eroded our national vetoes, three times declined to do so?

Mr. Maples: Indeed, he refused to rule that out, which makes me very suspicious that the Government are preparing to surrender our veto in more areas, which is of course the agenda of the President of the European Commission.

We are allowing the European Union to continue down the wrong road. A lot of the regulation being imposed on business imposes unnecessary costs that do not fall on businesses in America or Asia and attracts more power to the centre. If we do not stop it at some point, that will eventually lead to a European super-state. The Government say that they do not want that, but others want it. It is what the Simon-Dehaene report, commissioned by President Prodi, says. He has said that he wants that in many pronouncements, including his speech last week to the European Parliament.

The danger is that we will get that over-regulated super-state unless the Foreign Secretary is prepared to stand up for Britain's interests. One of Europe's main tasks should be to concentrate on ensuring that European business is competitive, that we can continue with our agenda of free trade and that we complete a north Atlantic marketplace and the single market in the areas in which we want it to be completed; but the European Union and the Commission are obsessed with integration and harmonisation, leading to expensive regulation that makes European businesses uncompetitive and will eventually lead to job losses and, I believe, calls for protection for some member states.

We must reverse that before it is too late. We have an opportunity, because enlargement, as the Foreign Secretary said, requires institutional reform. A European Community of 25 to 30 members will need some reform. There are two models for that reform. One is the Prodi model of removing the national veto, and introducing much more qualified majority voting and a requirement for much bigger blocking minorities. The alternative model would not require every country to go along with every piece of legislation. Of course we must be bound by the core legislation on the free market and free trade and competition, but we do not all need the same trade union recognition rights or the same paternity leave arrangements.

[Mr. Maples]

The flexibility model offers an alternative vision of Europe. There is a clear distinction between our policy and the Government's. Our vision is of an open, flexible, outward-looking, free-trading, free-market, low-cost Europe. The Prodi vision, in which the Government are acquiescing, will lead to an inward-looking, protectionist, over-regulated super-state.

I said at the beginning that there were large areas of agreement between us on foreign policy and if the Government are in a morass on their pretentiousness over human rights, that is their own fault. They are pursuing a dangerous and anti-British policy on the European security and defence identity and they are supinely acquiescent in allowing the federalist regulators to take over the European Union. It will take a Conservative Government to put that right, and put it right we will.

When we are in government, we will not lecture the world on morality. We will not sacrifice fundamental, hard-won British interests for short-term popularity abroad, and we will not allow Britain to lose her independence in a European super-state. We will be, as we always have been, the guardians of Britain's true interests. We will strengthen the European Atlantic alliance and we will ensure that Britain is in Europe, but not run by Europe.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I wish to remind the House that the 10-minute rule now applies to Back Benchers' speeches.

5.51 pm

Mr. Donald Anderson (Swansea, East): That was a sad speech by the hon. Member for Stratford–on–Avon (Mr. Maples), who was a moderate European in the past and now feels under pressure to bow to the prevailing wind in his party. The vision of Europe that he set out is shared by no other Christian Democrat party on the continent, although it is perhaps shared by Mr. Haider in Austria, and it goes against all the traditions and interests of this country. The hon. Gentleman used words such as surrender—at least six times—against our partners in Europe, as if they were our enemies. His policy is self-defeating, against our national interest and shared by no one. The fact that the hon. Gentleman imagines that we can have a pick-and-mix Europe, at a time when Europe is being transformed and the world is changing, shows that he is someone who stands on the sandbank of time and spits against the wind.

Mr. Dominic Grieve (Beaconsfield): Will the hon. Gentleman give way?

Mr. Anderson: No, I have only 10 minutes.

On the subject of the law of humanitarian intervention, it is a pipe-dream to imagine that we can have consensus on that. I invite the hon. Member for Stratford–on–Avon to consider the debate in the United Nations General Assembly. He can ally himself with the speech made by Mr. Ivanov on national sovereignty or he can adopt the policy of my right hon. Friend the Foreign Secretary, which is the only honourable and moral one. In the case of Kosovo, it would have been immoral for us to stand on the sidelines and do nothing when we had the capacity to intervene for good.

I wish to offer some general reflections about where we are now. I make no excuse for that: this is probably the last foreign affairs debate before Christmas and therefore the last of the millennium, so we may take some time for reflection. Ten years ago there was some euphoria in foreign policy circles. Bliss was it in that dawn to be alive, and all was to be new. Some scholars were talking about the end of history. The mood has now changed and, in my judgment, changed too far. Anyone with a sense of history knows that that euphoria could not last. We need a balance: we have much about which to rejoice but we also face great challenges.

I was concerned that much of the foreign policy content of the Gracious Speech appeared to be an afterthought. The speech contained a welcome reference to the International Criminal Court, although I had hoped that my right hon. Friend the Foreign Secretary would give a clear commitment today not only that we would be among the first 60 to ratify but that the Bill would become an Act during this Session. I was also surprised that the Gracious Speech contained no mention of Kosovo or the Commonwealth, and that whole swathes of foreign policy were not addressed.

What is clear is that whereas for 40 years following the five-year or so period of intense institutional adjustment after the second world war, we had the stability of the cold war, the past 10 years have seen great movement: it is as if a boulder had fallen into a pond whose ripples have affected our defence policy and our relations with the European Union and the third world.

I believe that the fall of the Berlin wall and the end of communism—the revolutions of 1989—will be far more significant historically than the failed revolutions of 1848. The effects of the end of communism will be felt for the next 10, 20 and even 50 years. The immediate effect was the end of the USSR, leaving the US as the only super-power. As there is now no perceived threat, many in the US ponder their role in burden sharing in Europe, and that has led to the necessary debate in Europe on the European security and defence identity and where we stand after Kosovo. My right hon. Friend the Foreign Secretary gave some figures showing how much we spend on defence and what we get for that, as compared with our US partners.

Ten years after the fall of the Berlin wall on 8 and 9 November 1989, NATO has responded with many important institutional initiatives, from the North Atlantic Co-operation Council of 1991 to "Partnership for Peace" and the special agreements with Russia and the Ukraine culminating in the Washington summit this year at which three former Warsaw pact countries joined NATO. That was an earth-shaking event. The security map of Europe has been redrawn and will be again, as membership action plans are implemented for those other countries that also seek membership of NATO.

Ten years ago, the alignment of countries that we see in KFOR, the Kosovo force, would have been unthinkable. There is a new momentum in transatlantic arrangements and a proper debate about the role of Europe. For example, the incorporation of the Western European Union into the institutions of the European

Union will be done only when the interests of those members of the WEU not in NATO, such as Norway, Turkey and Iceland, have been addressed. I support the lead taken by the Government at St. Malo and beyond. It has not yet been reflected in the European defence industry, but that will follow.

The fall of the Berlin wall also had profound effects on the European Union. We understand the desires of the former Warsaw pact countries to seek full integration into the European Union, and I should have thought that the best option for those who do not wish to see further integration within Europe would be to support enlargement. However, the Conservatives' motives were questioned by our European partners because they were not part of the club, or were not thought to want to be part of the club, and their views were disregarded.

The Commission's report on 13 October made it clear that six countries are already negotiating entry to the European Union, and six more are to be invited. An intergovernmental conference will be necessary in advance of that, but it will transform the whole political landscape of Europe.

Whereas European history has hitherto seesawed between the dominance of Germany and that of Russia, Germany is now a full and leading member of the European Union and Russia is seeking to determine its own relations, in a rather turbulent manner, within the new Europe.

We do not know where enlargement will end. Reports of this weekend's *Financial Times* conference dealt with the fact that we shall have to accept that, if there is to be a core Europe—an entity called Europe—there will have to be a non-Europe. We must ourselves begin to work out the limits of enlargement, and a dynamic debate on that matter is under way.

On the night when the Berlin wall was demolished, I was travelling back from Namibia, having witnessed its first democratic elections. I had arranged for a full range of press conferences on the success story of democracy in Africa to take place on my return, but no one was interested in the story. Alas, the incident symbolised Africa's place in today's world. In one sense, the fall of the Berlin wall sidelined the third world; but it also precipitated the end of apartheid—first, with democratic elections in Namibia in 1989 and, secondly, with South Africa's 1994 elections. The end of communism also marked the end of client-state status held by countries such as the Congo and Somalia, where we were constrained in attacking human rights violations. We are now able to take a far more objective view of the situation in those countries.

I rejoice, for example, at the way in which East Timor—

Mr. Deputy Speaker: Order. The hon. Gentleman has had his time.

6.1 pm

Mr. Tom King (Bridgwater): In my 10 minutes, I shall certainly not—as the hon. Member for Swansea, East (Mr. Anderson) said—have time for reflection on the great events. Although I should have liked to say something about Northern Ireland, anti-terrorism legislation, legislation on communications interception, the appalling problems facing British agriculture, and the overwhelming planning and land-use issues which affect so many parts of the United Kingdom and which will be of considerable interest this Session, I shall focus on two issues that might be summarised as great national assets at serious risk.

The first issue transcends all the issues raised in the debate on the Loyal Address. I am not seeking to make a party political point, but believe that the quality of government and administration in the United Kingdom is at serious risk. We used to pride ourselves on the quality of our administration and government, which were described as the envy of the world, but in recent years, and over many years, the quantity and complexity of legislation has exceeded the system's capacity to administer it. As an example, I need only refer to the problems of the Child Support Agency—in relation to which various proposals were mentioned in the Gracious Speech.

Some hon. Members will be aware of the problems with the administration of IACS, the integrated administration and control system, and of the difficulty in getting answers from the Ministry of Agriculture, Fisheries and Food—from a system and administration for which the rules and regulations are regularly changing, and from staff who are overwhelmed by the scale and complexity of the problems with which they must deal. The House should spend more time addressing those issues.

Last week, a farmer brought to my constituency surgery the names of those whom he had contacted in Workington in an attempt to get an answer to his problem with the British cattle movement service. The list included Miss Justin, Phil Christopher, Sue Owen, Pat, Jackie, John Briggs, Mr. Cater, Darren and Viv Gill—all of them dedicated, decent and hard-working people, trying to cope. When I wrote to the Minister about my constituent's problem, he replied that, although he appreciated my constituent's frustration,

> "especially at having to speak to different people when he telephones . . . the BCMS has dealt with nearly 300,000 calls in the past year and an open helpline is the only way to cope with this volume of calls."

My constituent did not receive solutions to any of his problems.

Constituents have also alleged that, in reply to their queries, people at overstretched offices have said, "I'm sorry, but we've never received your letter". Subsequently, when my constituents have said, "But I sent it by registered post, and I have a signature for it," the letter has been found.

The House shares responsibility for good administration and government, and cannot pass by the Queen's Speech without recognising that fact. The Queen's Speech states:

> "As part of my Government's drive to address inappropriate and over-complex regulation, legislation will be introduced to increase the effectiveness of the power to remove regulatory burdens."

The House should have a sweepstake on the number of regulations that will be introduced as a consequence of the proposals in the Queen's Speech. The Government have proudly said that the speech describes 28 Bills—on e-commerce, utilities regulation, financial services regulation, CSA reform, welfare reform, interception of communications, a right to roam, national aviation, trustee reform, party funding, local government, freedom of

[Mr. Tom King]

information and armed forces discipline. I may be wrong, as I have not seen the legislation, but I suspect that every one of those Bills will entail new regulation and a new administrative burden.

I say with all humility that I have had some involvement in various Departments of State, and that I am seriously worried that the civil service's capacity is not what it used to be. Parliament will have to give more serious consideration to that issue. There is no point in passing legislation if it cannot be effectively implemented and administered, and we would be doing a disservice to our constituents if we tried to pretend otherwise.

We once subscribed to the slogan, "to govern is to serve." It is the duty of a Government to govern wisely. Although I do not have time to deal with the ways in which the problem should be dealt with, the first step is to acknowledge that there is a problem. In a non-partisan spirit, I say that we have a serious problem, which is underlined in the Queen's Speech.

The second of the great national assets at risk—which I have already identified to the Secretary of State for Defence, who is in the Chamber, and whom I welcome to his first Queen's Speech in his new office—is our armed forces. Although our armed forces are respected and valued, they are seriously at risk, and although the Foreign Secretary has gloried in the achievements of our forces in Kosovo, there is no question but that our forces are seriously overstretched.

The strategic defence review asked our forces to do more with less. They have subsequently been asked to do much more with even less. Our forces are admired because they are so well trained and motivated. However, time is an essential component of training. If our forces are constantly deployed on operational duty, they will have time neither to withdraw for operational training nor for the rest and recuperation that everyone rightly expects. If our forces are continually deployed, they will also not have time to be with their families. Their families resent that, and put pressure on them to leave the forces.

Every time I hear of a new assignment being undertaken or honoured by the Prime Minister or the Foreign Secretary, saying—admirably—that Britain will play its part, I worry that we may not be remembering who will have to discharge that duty. I was delighted that the Secretary of State's first comments on taking up his new and important office expressed his worries about overstretch.

Exactly what I feared would happen is happening. According to anecdotal evidence, key trained people—Army majors, captains, sergeant-majors and sergeants; people with some years in service, who had planned on making the armed services their career; the very core around which young recruits are built into efficient units—are the ones who are leaving. We run the risk of doing permanent damage to our services. It is no good the House simply paying tribute to our forces: it is vital that we maintain conditions in which our forces are happy to continue serving, and in which their families are willing to allow them to do so.

May I add one final comment arising from the excellent speech of my hon. Friend the Member for Stratford-on-Avon (Mr. Maples)? The Secretary of State's smart remarks may sound good, make the headlines and cheer up the troops behind him. But I beg him not to be under the illusion that the Americans will look with ease or relaxation on a separate European identity and on the United Kingdom moving away from NATO. Many people in the United States would like it to pull out of NATO; they believe that it makes too big a contribution and that the Europeans are not playing their part. If the Europeans give those people any encouragement, NATO—an organisation whose value the whole House recognises—will be put at risk. I beg the Secretary of State to remember that the core importance of NATO to all our undertakings cannot be overestimated.

6.11 pm

Mr. Ernie Ross (Dundee, West): I support my right hon. Friend the Foreign Secretary's comments on the Gracious Speech. He spoke about our role as a member of the international community. As chairman of the board of governors of the Westminster Foundation for Democracy, I thank the whole House for the support that we have received. The organisation, which began its life under a previous Government, has played an expert role in projecting Britain's foreign policy on a level that demonstrates to the outside world how at our best we can work together to support foreign policy and help restore democracy and civil government in parts of the world where there is conflict.

This year, we received a major increase in funding of 33 per cent., for which I thank my right hon. Friend the Foreign Secretary. We have used that most beneficially in support of Britain's role as a member of the international community. I pay tribute to the way in which the political parties have worked together, particularly on the extra-budgetary technical projects in which the foundation has been engaged over the past few years. That has demonstrated to parts of the world where there is conflict and internal strife that working together can build a better society.

In Bosnia, all three British political parties are working to strengthen the parties that follow the multi-ethnic and democratic agenda. In the Federal Republic of Yugoslavia, we have taken concrete steps to strengthen the fabric of civil society and help independent media survive in difficult circumstances. We will be helping democratic political parties and civic groups to build effective structures. As soon as the refugees started returning to Kosovo, we were in there with a scoping mission. We seek to overcome the divisions created by the extreme national and ethnic polarisation in that society as a result of the conflict, and I think that we are having some success.

The foundation's strong cross-party nature enables it to gain access to a wider audience, and to reinforce the messages of openness and tolerance, both through our methods of operation and through the content of the programme that we seek to deliver; it has begun to produce results at grass-roots level in Bosnia, Kosovo and the former Yugoslavia.

In central Asia, an area characterised by authoritarian government, great social hardship and concomitant low levels of political activity and awareness, we have targeted grass-roots women's organisations to help them provide education in electoral and general civil rights. A group of women in Tajikistan who are actively involved in the voter education programme in the run-up to the

elections which they hope will take place before March 2000 have been in the United Kingdom learning from our experience.

We have been involved in Nigeria, a very important country for the whole of Africa. Despite all the difficulties, we continue to support a range of organisations in Nigeria, from women's rights groups to civil education and human rights campaigners. In Kenya and Zimbabwe, we have assisted with major constitutional reform processes and helped the Zimbabwe constitutional commission with academic advice as it seeks to rewrite its constitution. In Rwanda, while the rest of the world may have been looking elsewhere, we have been funding the work of lawyers and paralegals, helping ordinary citizens who suffered human rights abuses in 1994 and are seeking redress.

Perhaps the area that demonstrates best how both arms of our policy work together is Nepal. Geeta comes from Chitika, a village in the Katmandu valley. She is in her fifties and, like 80 per cent. of Nepalese women, has never had any schooling. However, she attended adult literacy classes and learned to read. She has also received training, through a WFD-funded project, to help her become a grass-roots representative of her people in the democratisation process. The village supplies most of the Gurkhas who are serving with such distinction in Kosovo and East Timor, working to support democratisation and peaceful self-determination. In that way, all our policies come together: we are helping the village people of Chitika and they are helping us to deliver some of our other policies.

I should like to thank all right hon. and hon. Members who have taken part in scoping missions and supported the WFD, which demonstrates the best of this House in action.

I should briefly like to mention two other subjects—first, the middle east peace process. I think everyone in the House was overjoyed at the election of a new Labour Government in Israel. We are all pleased at the move towards final status talks, but there has been some confusion over some of the comments of the new Israeli Prime Minister and his negotiators. We must remind him that if there is to be peace, it must be based on Security Council resolutions 242 and 338. The resolutions cannot simply be pushed aside while the two sides move to the final framework agreement. Whether or not the word "the" is in resolution 242, resolution 194 recognises the rights of the Palestinian refugees. Without the resolution of that conflict, there can be no peace in the area.

It is not for us to tell the two sides how to negotiate. However, neither Yasser Arafat nor Ehud Barak can take away the right of those refugees under international law. They have the right of return or the right of compensation, or both, depending on how this matter is resolved. There have been other dialogues, and whether they have been in Oslo or Sharm El-Sheikh, it does not remove our responsibility to those refugees under international law.

In the early 1980s, when the prospect of the Palestinians and Israelis sitting down together was very remote, I remember sitting in a café in Covent Garden, listening to a ginger-haired, blue-eyed young person from north London telling his friends how great it had been working in Israel over the summer, and how he intended to go back and settle down. Among our company was a Palestinian student, who is now the Palestinian representative to Ireland. He was listening to someone who was born in north London and has the right to settle in Israel, yet he could not go back and visit his mother.

If we are to resolve this problem once and for all, the Palestinian refugees must have their rights addressed; without that, there can be no peace there.

The hon. Member for Stratford–on–Avon (Mr. Maples) commented on the need to consider international law in certain areas. I do not support all that he said, but a dialogue must continue on how we define humanitarian law and the role of the United Nations Security Council. There are great divergences of opinion over the role of humanitarian law and its applications and over the rules that should cover our actions. I hope that many hon. Members will have seen two television programmes over the weekend—the drama "Warriors" on BBC 1 and the subsequent debate, on "Heart of the Matter". Those programmes posed problems that the House should resolve. As the hon. Member for Tatton (Mr. Bell) said, we could once pretend that we did not know, but we can no longer hide behind that—

Mr. Deputy Speaker: Order.

6.21 pm

Mr. Menzies Campbell (North–East Fife): The debate embraces both foreign affairs and defence. Unusually, we have not had a defence White Paper this year, or the normal two-day debate on defence matters. I do not criticise the Government for that. It was right that the incoming Secretary of State should take the opportunity to revise the White Paper left by his predecessor. I have no doubt that we shall hold the debate—almost traditional in the House of Commons calendar—in due course. As a result of its absence, however, we have had no obvious pointers to the Government's defence proposals, except for those on the European security and defence identity.

I share many of the apprehensions expressed by the right hon. Member for Bridgwater (Mr. King). There is no doubt about the overstretch facing all three armed services, but particularly the Army. There is an urgent need to resolve procurement problems thrown up by the strategic defence review. For example, there is the problem of heavy lift and the abortive competition to obtain the short-term capability of C17s or their equivalents. There is a need for confident confirmation by the Government of their intention to obtain the carrier replacements that are central to the expeditionary strategy enshrined in the conclusions of the strategic defence review.

I do not go too far by saying that resource problems in the armed services need urgent attention. In particular, the 3 per cent. so-called efficiency saving has been described to the Select Committee on Defence by Sir Charles Guthrie, Chief of the Defence Staff, as "challenging". Anyone who knows Whitehall-speak will realise that Sir Charles means something rather more than that. There is plenty of evidence from senior budget holders of the consequences to which they have been subjected by their endeavours to achieve the 3 per cent. efficiency saving.

When the Chief of the General Staff, Sir Roger Wheeler, can give an on-the-record interview to a national newspaper that points up the problem of overstretch, and when the Secretary of State, in almost his first major television interview, can acknowledge that same problem,

[Mr. Menzies Campbell]

we are living in strange days for defence. Perhaps freedom of information is beginning to have an effect, even if the legislation is not yet on the statute book. Those statements emphasised the extent of the pressure that our armed forces, particularly the Army, are experiencing.

We cannot have an expeditionary strategy unless we are willing to pay for it. We must have the capacity both to get to places quickly with sufficient numbers and to stay as long as necessary. Before any tax cut could recommend itself to me, I should think it much better to consider putting more resources into the defence budget of the United Kingdom.

I referred earlier to the exception of the European security and defence identity. The Liberal Democrats have consistently argued for much more integration in defence in Europe. We have sought to rely on the principles of interoperability, common procurement and force specialisation. Two recent experiences serve to underline the importance of those ideas. First, there was the paralysis experienced over Bosnia. The international community and NATO were unable to move until the United States of America agreed to do so. Secondly, and equally embarrassingly, in Kosovo the European contribution was a fraction of what it should have been.

Mr. Grieve: As a result of the discussions at Rambouillet, there was a great deal of Anglo-French momentum to try to initiate operations in Kosovo, but it proved impossible to do so. Was not the reason the fact that, until the United States could be got on board, such operations were simply a non-starter? How would that problem be resolved when there is a growing split between the idea of getting the United States involved and the developments advanced as desirable by the right hon. and learned Gentleman?

Mr. Campbell: I have a copy of Strobe Talbott's speech, some passages of which, if fairly read, suggest that there is more support for the European security and defence identity on the other side of the Atlantic than some hon. Members might be willing to acknowledge.

Let me return to the financial and statistical information that I was about to outline. Europe spends £100 billion a year on defence—approximately two thirds of American spending, but for a fraction of the capability. The USA contributed 75 per cent. of aircraft in Kosovo and 80 per cent. of munitions. As the previous Secretary of State for Defence has pointed out several times, European forces struggled to put on the ground a force equivalent to 2 per cent. of all the men and women under arms in Europe.

The alliance will not hold if that imbalance between the USA and Europe continues. Which of us would confidently assert that the Americans would necessarily come to Europe's aid in similar circumstances in the future? I am not talking about collective defence, because I do not doubt that the Americans would come to Europe for that. However, there will be increasing reluctance in the USA, even to the point of refusal, to take part in operations such as Bosnia and Kosovo.

Europe must spend more wisely, but Europe may have to spend more. That is why the defence capability initiative that arose from the Washington summit is so important. Europe may need more than that—a European-wide defence review. The key to the European security and defence identity is capability. Architecture and command-and-control issues will be much more easily resolved when our capability is adequate.

The hon. Member for Stratford–on–Avon (Mr. Maples) rightly referred to the three Ds—no duplication, no discrimination and no de-coupling. If what is produced at the end of what Strobe Talbott calls an iterative process does not conform to those principles, there should be no deal. Those principles were slightly differently described by the Secretary General of NATO when he addressed the North Atlantic Assembly in Amsterdam a fortnight ago. He talked of adding to Albright's three Ds Robertson's three Is: improvement in capability; inclusiveness, involving total transparency between NATO, the Europeans and the north Americans; and indivisibility, meaning collective defence uninfringed and undiminished by what is proposed.

When American politicians express reservations we should take account of their views. But there is a paradox: the United States calls on the Europeans to take greater steps in their own interests, but then claims that Europe is turning its back on its transatlantic partners. Some of those who expressed the strongest reservations were against intervention in Kosovo; they were against the ratification of the comprehensive test ban treaty; they are in favour of the revisal of the anti-ballistic missile treaty; they are in favour of the Helms Burton resolution and the extra-territorial jurisdiction that it seeks to achieve. Until recently, many of those who are so vociferous about the ESDI were against the United States of America paying its dues to the United Nations. The transatlantic relationship is absolutely vital, but it must be a mature relationship in which the United Kingdom and Europe are partners of the United States, not satellites.

Furthermore, it is true that, so great are the resources and capabilities of the United States, nothing that Europe could do would ever detract from the overwhelming military capability of the United States and the political leadership that it gives to NATO in collective defence.

There have been references to Strobe Talbott's speech. I doubt if he expected it to be pored over like a conveyancing document, or a memorandum or prospectus from something like the south sea bubble. In relation to Kosovo, he stated:

"Many Americans are saying: never again should the United States have to fly the lion's share of the risky missions in a NATO operation and foot by far the biggest bill. Many in my country, notably including members of Congress—are concerned that, in some future European crisis, a similar predominance of American manpower, firepower, equipment and resources will be neither politically or militarily sustainable, given the competing commitments our nation has in the Gulf, on the Korean Peninsula and elsewhere."

He continued:

"It did not take Kosovo for both Americans and Europeans to recognise that there is an asymmetry in the transatlantic relationship; that is unwelcome and unhealthy; and that we must find ways to rebalance our respective roles."

On the ESDI, he stated:

"I'll start by reiterating what I hope is a clear, unambiguous statement of American policy. It's a policy of *support*: the US is *for* ESDI. It's in our interest for Europe to be able to deal effectively with challenges to European security well before they reach the threshold of triggering U.S. combat involvement."

That is quite right. As the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), the former shadow Foreign Secretary, pointed out, there are

questions to be answered. That is perfectly right. However, if one reads the speech as a whole, Strobe Talbott's position on behalf of the American Administration is, "Yes, we are in favour, subject to these questions". His speech does not state that they are against the matter because of those qualifications.

Mr. Robert Key (Salisbury): Nor are we.

Mr. Campbell: It was notable that in commenting on the rebalancing of the relationship, the hon. Member for Stratford–on–Avon (Mr. Maples) did not have much to offer by way of constructive proposals. If he has such proposals, the House will be happy to hear them on some other occasion.

We have heard some exchanges about the single European currency. I realise that there will be a full-scale debate on Europe in a week's time and I do not want to dwell on European issues, apart from the fact that—rather like the Foreign Secretary—I find it difficult to understand that there is a principle of such importance that it is time-limited until the expiry of the next Parliament. If it is a matter of principle that one is against the currency, one will be against it for ever, no matter how many economic advantages might flow to the United Kingdom. One would be against it as a matter of principle. One cannot hold such a principle and say that it will lapse at the end of the next Parliament. I think it was the right hon. Member for Wokingham (Mr. Redwood) who, in analysing that policy, said that it was a bit like saying that one was against rape, but only until the end of the next Parliament. No doubt, he chose his example for some of the connotations that it might carry.

I am not a part-time member of the Government. The Government have been timid—continuously so—on the single currency. For our part, as my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) pointed out in his response to the Queen's Speech, we believe that it would be right for the Government to declare in principle an intention to join, to work towards the convergence criteria that are necessary and then to hold a referendum, so that the people of the United Kingdom can pass judgment on what is not just an economic matter, but a political and constitutional one.

It would once have been unthinkable to ask whether a Conservative Government would withdraw from Europe. However, it is now no longer impossible to see circumstances in which they might do so. That would be profoundly against the interests of the people of the United Kingdom. If the Conservatives do get into power and they want to withdraw from Europe, will they pledge to hold a referendum so that the people of the United Kingdom can have the opportunity to pass judgment before that withdrawal takes place? To those who say that the North American Free Trade Agreement offers a sensible or viable alternative, what procedures within the agreement would compel the United States or Canada to accept British beef? I doubt if there is a commission, and I doubt very much if there is a court.

In relation to Kosovo, there are not only issues as to the requirement for better integrated defence, but questions as to the right of intervention. The hon. Member for Stratford–on–Avon gave the impression—no doubt it was a slip—that the House somehow authorises intervention, but, of course, we do not. Intervention is an Executive prerogative. I agree substantially with the right hon. Member for Chesterfield (Mr. Benn): when we send young men and, increasingly, young women from this country into circumstances in which they risk their lives, the House of Commons ought to have the right to pass judgment on that decision.

Does a right exist if no UN resolution allows it? That question is not new. Boutros Boutros-Ghali, in the document "Agenda for Peace", published 10 years ago, argued for an extension of the right of intervention. I assert that such a right exists, but that it is subject to the following criteria, which might be swept up in the Foreign Office study that has been urged on the Government. First, force should always be the last resort. Secondly, all diplomatic efforts should have been exhausted. Thirdly, the intervention should be undertaken to deal with a systematic breach of international law, or the universal declaration of human rights. Fourthly, regional stability should be threatened by the mass movement of refugees, or there should be a risk of severe environmental damage. Fifthly, applicable United Nations resolutions should have been flouted. Sixthly, the intervening powers should be willing to make a commitment to make good damage and to restore democratic institutions. Seventhly, will the intervention diminish conflict, rather than escalate it? Finally, as a matter of principle, rather than of pragmatism, can the intervention be made effectively? Those are the type of criteria that justify intervention.

Mr. Dalyell: I am grateful to the right hon. Gentleman for giving way, as he is not time limited. What does he think are our obligations towards countries such as Bulgaria and Romania? They went along with NATO in good faith and are now desperate to have the Danube unblocked—of which there is no possibility. Do we have some obligations to such people?

Mr. Campbell: Yes, we do. Indeed, I have pointed that out in the House. Those countries made great political sacrifices—in the case of the Bulgarians, because they thought it might enhance their application for membership of NATO—but they are certainly entitled to proper treatment now. I may surprise the hon. Gentleman, because I would go further: it is not right to ban all humanitarian assistance to the people of Serbia. It will not do much good for the cause of intervention, or the cause of the west, if we allow people in Serbia to die of hunger or cold throughout the coming winter. I put that point to the Prime Minister, and received a pretty dusty reply. However, I still believe that it would be the right thing to do. It is time for a recognition and a codification of a right of intervention based on those criteria.

I feel a considerable sense of discomfort as to Chechnya. We have seen the indiscriminate shelling and bombing of citizens and the prevention of humanitarian effort by the United Nations. We have seen the denial of free passage for refugees. The two situations—Kosovo and Chechnya—are not the same. However, I hope that when the Secretary of State was arguing with—or, perhaps more correctly, putting his points to, or making a démarche on—Mr. Ivanov, he not only raised the question of International Monetary Fund support but raised what seems to me to be a compelling matter in all this: the extent to which things are being done for the domestic political aspirations of Mr. Putin and others in the Yeltsin camp.

[Mr. Campbell]

The Government set out to achieve a foreign policy with an ethical dimension, and there are some achievements of which they can rightly be proud. Among those are the Ottawa treaty on land mines, ratified pretty well in the course of a day, one Friday, here in the House of Commons; the publication of an annual human rights report; and a European Union code of conduct on arms sales where none previously existed. But arms sales are as effective a test of the ethical dimension as any other, and both the present Government and their predecessors experienced considerable embarrassment in relation to Indonesia and the repression that was carried out in East Timor.

New legislation is required. The Queen's Speech should have announced a new strategic arms export Bill, because in his report on the arms to Iraq affair, Sir Richard Scott was very critical indeed of the rather clumsily named Import, Export and Customs Powers (Defence) Act 1939. As its date tells us, it was passed through the House at a time of national emergency. Surely different considerations now apply, and a new Bill should license and regulate arms brokers, tighten end user controls, bring forward criteria for control of licensed production in third countries and establish a Select Committee of Parliament to monitor arms export policy and to scrutinise individual export licence applications above a certain size. If the right hon. Member for Bridgwater can be trusted to scrutinise MI5 and MI6 along with my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), surely Members of that stature in the House could be trusted with the responsibility of monitoring arms export policy.

Let us also have an annual report on arms exports which is intelligible, and which contains detailed and easily understood information showing what arms have been exported, and to which countries. Categories that include a jet fighter aircraft at one end of the spectrum and a parachute at the other are not readily intelligible even to those who make a special study of these matters.

The arms to Iraq and arms to Sierra Leone affairs were both significant. They had significant domestic consequences, but they also seriously damaged the reputation of the United Kingdom abroad. I believe that if a Select Committee had been in place, it would have prevented them.

I feel profound disappointment that there is no Bill in the Queen's Speech to achieve ratification of the statute establishing the international criminal court. I know that there is a promise of draft legislation, but that is not the same as the indication of determination to publish a Bill and take it through the House. As the Chairman of the Select Committee on Foreign Affairs pointed out, the Government's 1999 human rights annual report promised that the United Kingdom would be among the first 60 states to ratify.

There is too much uncertainty surrounding the Government's intentions. This could be the last full Session of Parliament before the general election. Would there be time, in a truncated Session before a spring general election in 2001, for the ratification of the treaty?

Without difficulty, I reach the following conclusion. A foreign policy with an ethical dimension would look a little tattered if the Labour party faced the electorate without the ratification of the treaty establishing the international criminal court.

Let me finish by discussing nuclear weapons. Article VI of the nuclear non-proliferation treaty imposes a legal obligation on the United Kingdom to work towards the elimination of nuclear weapons. That obligation was renewed in 1995, when the Conservatives were in Government. What steps will Her Majesty's Government take in the coming year to fulfil that obligation?

It is a curious treaty because India and Pakistan are, technically, non-weapon states under the NPT, although they have now, as we all know, exploded nuclear devices. What steps will the Government take to persuade them to adhere to the obligations incumbent on weapon states in the NPT? We would all have hoped to persuade India and Pakistan to sign the comprehensive test ban treaty, but the decision of the United States Senate to refuse to ratify has made that prospect remote, to say the least.

The difficulty of relations with Russia is compounded not only by the failure to ratify the CTBT but by an apparent determination in the United States to depart from, or at least renegotiate, the anti-ballistic missile treaty. What steps will the Government take to persuade those in the United States who stood in the way of the ratification of the test ban treaty that they should now ratify it? What steps will the Government take to persuade the United States of America not to depart from the ballistic missile treaty?

I leave the Government with proposals as to what they should do about nuclear weapons. The United Kingdom should convene a conference of the five permanent members of the Security Council to prepare the way for a new round of strategic arms reduction talks, covering the weapons of all existing nuclear weapons states, including our own. That conference should include a review of all previous nuclear weapons agreements, including the ABM treaty.

We should work to bring about an annual declaration of nuclear weapons stocks held by all de facto nuclear weapons states under a United Nations nuclear weapons register. We should embark on the negotiation of a nuclear weapons convention to match those for chemical and biological weapons, so as to formalise the commitment of all nuclear weapons states to nuclear disarmament.

The nuclear threat is much reduced, but we should take the opportunity to reduce it even further. That truly would be a foreign policy with an ethical dimension.

6.46 pm

Ann Clwyd (Cynon Valley): I should like to talk about many things tonight, but there is not enough time, so I shall get straight to the point.

I want to ask especially about our policy towards arms exports to Indonesia. I have probably asked more questions on that subject than any other Member has, and I am continuing to ask those questions because the embargo imposed by the European Union comes to an end in the very near future, and certainly before we have an opportunity to discuss it again in the House.

I hope that we would heed the words of one of the leaders of the East Timorese, who has now returned to East Timor, who came to this country many times when

a spokesman for the then opposition. Over and over again he begged this country not to export arms to Indonesia, but we continued to do so. I believe that many people have learned a lesson from the events in East Timor, and I hope that that lesson will be acted on when the question of renewing that arms embargo arises in the next few weeks.

I should like to quote the words of Jose Ramos Horta, vice-president in exile of the East Timorese, who has just returned to his country. He says that the destruction and human suffering caused by 24 years of Indonesian military occupation are indescribable. For peace in the region, and in particular for the future of East Timor, it is crucial that the embargo stay in force, at least until all East Timorese refugees have returned safely to East Timor—there are still about 200,000 in West Timor—all militia are disarmed and Indonesia co-operates with a commission of investigation established by the United Nations High Commissioner for Refugees.

Moreover, Jose Ramos Horta has drawn attention to the fact that the Indonesian armed forces play a very controversial role in other parts of Indonesia—in the Moluccas, Irian Jaya, West Papua, Acceh and Kalimantan—and repress the opposition in Indonesia. An arms embargo is necessary until the military become subordinate to democratic control.

There is no equivocation about that point of view, and I hope that that message has got through today. The East Timorese want that European Union arms embargo extended, and I hope that our Government will work towards that end.

I had the privilege of witnessing the referendum in East Timor. Many of the things that we had predicted in the Chamber came to pass. There was violence, which I believe could have been avoided, and there was great suffering. I believe that when the final body count is made, we shall find that many thousands of people lost their lives there. They got their democracy—yes—but at such a price. I am afraid that we are all responsible because we supplied arms for many years. The previous Government supplied arms, and this Government have supplied arms. I hope, therefore, that we now listen to the views of people such as Jose Ramos Horta and Xanana Gusmao, the leader of East Timor who is now back in his own country.

I shall talk about one more country—Iraq—in the short time that I have available. However, I would have liked to have mentioned many countries and conflicts and to have asked our Government what role we are playing in trying to bring conflicts all over the world to an end. In particular, I wanted to refer to countries, such as Sudan, where the conflict has gone on for many years.

Nearly 10 years ago, before the international tribunals for the former Yugoslavia and Rwanda were set up, it was clear that Saddam Hussein and his close associates should be indicted as international war criminals. When Pol Pot and his associates in Cambodia were indicted as war criminals, when Milosevic and the people responsible for the events in the former Yugoslavia and Kosovo have now been indicted as war criminals and when we are talking about indicting some of those responsible for the terrible events in East Timor, we must ask ourselves why Saddam Hussein has not been indicted by the United Nations as a war criminal.

Unfortunately, Saddam and his cronies are still viewed by a few Governments as leaders with whom they may want to do business one day. Some may even be doing that business right now. Saddam and his associates are looked on as leaders of a country under siege by the powerful, struggling to survive against the odds. In reality, as the American ambassador for war crimes, Ambassador Scheffer, said in New York a few weeks ago,

"these are thugs who terrorize what was once, and could again become, a great nation."

I chair an organisation, Indict, which is focused on bringing Saddam Hussein and some of his close associates before an international tribunal. The latest report from the United Nations rapporteur on human rights in Iraq was published a few weeks ago and it shows that atrocities are being carried out by Saddam's army against the Arabs of the southern marshes with a ferocity that is as widespread—and over a longer period—as that waged by Milosevic against the Kosovo Albanians.

We have identified nine major criminal episodes under Saddam Hussein's rule in Iraq. Three of them continue to this day and, indeed, one of them is accelerating at an alarming pace. In the 1980s, crimes against humanity and possible genocide were committed in the Anfal campaign against the Iraqi Kurds, including the notorious use of poison gas in Halabja in 1988. In the 1980s, crimes against humanity and war crimes, including the use of poison gas, took place in the war against Iran. In the 1990-91, there were crimes of humanity and war crimes against Kuwait. In 1991, war crimes took place against coalition forces during the Gulf war.

There is not time to list all the crimes, but, of course, Saddam Hussein did not commit them on his own. We know that he has built up one of the most ruthless police states, using a small number of associates who share with him the responsibility for those criminal actions. Ali Hassan Al-Majid became known as "Chemical Ali" for his leadership and enthusiasm in using poison gas against Iraqi Kurds in the Iran-Iraq war. He also turned up in Kuwait during the occupation and, more recently, as governor in the south of Iraq and acted against the Shi'ite people. Saddam Hussein's sons, Qusay and Uday, are both involved in all the crimes.

My organisation has come up with a list of 12 people who we believe should be indicted by an international war crimes tribunal. There must not be a memory lapse when it comes to the war crimes of Saddam Hussein and his inner circle. This is a man and a regime who have brutally and systematically committed war crimes and crimes against humanity for years, are committing them now and will continue committing them until the international community finally says, "Enough".

A few weeks ago I asked my right hon. Friend the Foreign Secretary what we were doing in the Security Council of the United Nations to establish an international tribunal to try Saddam Hussein. He said:

"we do not at present detect a consensus in the Security Council for a war crimes tribunal on Iraq."—[*Official Report*, 2 November 1999; Vol. 337, c. 95.]

Recently, the United States has said strongly that the Security Council would be fully justified in establishing an ad hoc international criminal tribunal without—this normally happens in such cases—having a commission of experts to consider the matter beforehand. The evidence is there, and I have seen much of it—5.5 million pages of

[Ann Clwyd]

captured Iraqi documents that were taken out of northern Iraq by Human Rights Watch. They detail in the minutest fashion the day-to-day nature of the crimes committed by Saddam Hussein against the peoples of northern Iraq. An archive of Iraqi documents contains more than 4 million pages and there are video tapes shot by cameramen and an archive of classified documents is, at present, being declassified. There is plenty of evidence, so I ask my right hon. Friend to do his utmost to bring about an international tribunal to try Saddam Hussein and his associates as soon as is humanely possible.

6.56 pm

Mr. Michael Howard (Folkestone and Hythe): I am grateful for the opportunity to contribute to the debate. It is a privilege to follow the hon. Member for Cynon Valley (Ann Clwyd), who has fought so long and so hard for the causes that she holds dear—indeed, causes that impinge upon us all.

Many criticisms can be made of the present Government's approach to foreign affairs and defence and my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), the shadow Foreign Secretary, made many of them most effectively in his speech. I particularly agree with his call for an up-to-date statement of the Government's view of the legal basis for humanitarian intervention. It is perfectly true, as some Labour Members pointed out, that things have moved on since 1984. Indeed, I remember making the point during the debates on Kosovo that international law in this area is evolutionary. That is precisely why an up-to-date statement would be helpful, and I am happy to endorse my hon. Friend's call for that.

Even my hon. Friend did not have time to cover all the criticisms that can be made of Her Majesty's Government. I shall confine myself to one. The Gracious Speech tells us that the Government will ensure that NATO remains the foundation of Britain's defence and security. It is certainly true that NATO should remain the foundation of Britain's defence and security, yet the Atlantic partnership—the partnership between Europe, and not just Britain, and north America of which NATO is the most visible manifestation—now faces greater challenges than at any time in its recent history.

I believe that deep-seated forces are at work, on both sides of the Atlantic, that are tending to drive Europe and north America apart from each other. That poses great risks for the partners themselves and for the world at large. Yet instead of seeking to minimise those risks the Government are, perhaps unwittingly, making them worse.

It is worth spending a moment or two on the divisive forces at work. In north America the political, business and cultural centres of gravity are shifting westwards. California long ago overtook New York as the most populous state in the USA, and Microsoft and silicon valley are both on the west coast.

American—and Canadian—eyes are increasingly turned towards the Pacific and beyond. Japan, despite its recent difficulties, remains a most formidable economic power. The United States, in particular, is becoming increasingly preoccupied with China, both as a huge market and as a potential military rival. Those trends are to some extent reinforced by demographic changes. There is an increasing number of Americans and Canadians of Asiatic descent. The growing number and influence of Hispanic Americans is also significant. They tend to look south to Latin America, rather than east to Europe.

Those trends are exacerbated by the increasing number of trade disputes between Europe and north America. Americans are becoming increasingly frustrated by what they see as European failings to abide by rulings of the World Trade Organisation. Those frustrations feed the traditional forces of protectionism and isolationism which are never far below the surface.

On the European side, we have the drive towards deeper integration, partly—I emphasise partly—motivated in some quarters by explicit anti-Americanism and by a wholly misguided desire to set up in Europe a centre of power which it is thought could rival the United States. There is the European perspective on the trade disputes—the understandable concerns over genetically modified foods, hormone-treated beef and bananas from the Caribbean. There are also particularly worrying developments in defence, to which I shall return.

Of course, not all these developments are new, but while the cold war was still in being there was general recognition on both sides of the Atlantic that nothing should be done that would put at risk the ability of the free world to defend itself. That cement has now gone, and those irritations, which would once have been suppressed, are now increasingly allowed to dominate and divert policy.

The dangers are perhaps greatest in defence. No one would deny that the European members of NATO could and should do more to shoulder the burdens of the alliance. The most effective thing that most of them could do is to spend more money on defence and spend it more sensibly. Nor do I resile from the European defence identity, which began under the previous Government and was taken forward by Michael Portillo when he was Defence Secretary. When we were in government, however, that was always envisaged as being within the framework of NATO. That is the essential point.

We were assured, at the beginning of their term in office, that the present Government shared that view. After the Amsterdam council, the Prime Minister told this House that

> "getting Europe's voice heard more clearly in the world will not be achieved through merging the European Union and the Western European Union or developing an unrealistic common defence policy. We therefore resisted unacceptable proposals from others. Instead, we argued for—and won—the explicit recognition, written into the treaty for the first time, that NATO is the foundation of our and other allies' common defence."—[*Official Report*, 18 June 1997; Vol. 296, c. 314.]

It was not until the St. Malo agreement that we realised that things had indeed changed.

There has been a great deal of speculation about the reasons for that change. I agree with my hon. Friend the Member for Stratford-on-Avon that by far the most credible explanation is that the Prime Minister, frustrated by his inability to smuggle Britain into the single currency and desperately casting around for some other way of establishing his credibility as a good European, identified defence as the only way forward. Be that as it may, whatever the reason, the Prime Minister signed up at St. Malo. That agreement

specifically and expressly provides for defence co-operation "inside and outside" NATO. The Cologne declaration calls for the European Union to

"have the capacity for autonomous action, backed up by credible military forces"

and

"the means to decide to use them."

Those are the agreements that have led to concern on both sides of the Atlantic. Those are the meetings that were described by Strobe Talbott, in exquisitely diplomatic language, as emitting a somewhat different set of signals to those emanating from Berlin in 1996 and Washington in April this year. In view of the references to him made earlier in the debate, it is worth quoting him in full. He went on to say:

"The Anglo-French Summit at St. Malo last December raised concerns among non-EU allies that they might not be sufficiently involved in planning and decision making structures. Then came the EU leaders' declaration at Cologne in June, which could be read to imply that Europe's default position would be to act outside the Alliance whenever possible, rather than through the Alliance."

It is absurd, in the light of those statements, for the Government to deny that any concerns exist in north America over these developments. There is concern and it is serious.

At the very time when the Atlantic alliance is most at risk and most in need of reinforcement, Her Majesty's Government, instead of acting to strengthen it, are acting to weaken it. At the very moment when the partnership that has been the world's best hope for peace for the past 50 years is facing unprecedented challenges, Her Majesty's Government are taking action that could undermine it. At the very moment when the world is racked with uncertainty, Her Majesty's Government are taking action to add to that uncertainty.

I urge the Government to think again. I urge the Government to draw back from the actions that they seem to be contemplating. The Atlantic partnership can repeat in the next 50 years what it has achieved in the past 50 years. It is the Government's duty to help that process, not to hinder it.

7.6 pm

Mr. Bill Etherington (Sunderland, North): First, I should like to place on record my appreciation of the opportunity to speak in this debate, because this is the only day of debate on the Queen's Speech on which I am able to be present.

I noticed that there is very little mention in the Queen's Speech of foreign affairs and defence. I can only assume that it is because our manifesto commitments are being carried out and everything is felt to be satisfactory. It is certainly satisfactory as far as I am concerned. As a member of the Western European Union and Council of Europe delegations, I can say that we are held in very high esteem by many of our foreign colleagues, and my right hon. Friend the Foreign Secretary has much to be proud of in having brought that about.

It has always been the tradition that the debate on the Queen's Speech is an opportunity for Back Benchers to state what they think about the planned legislation and to make a few remarks about what they would have liked to have been included in the programme. What struck me first about the Queen's Speech is that it contains many small, useful Bills. I am of the opinion that the road to heaven is often reached by small steps rather than by taking a large, broad-brush approach.

I particularly welcome, in the welfare reform Bill, further simplification of the Child Support Agency. Heaven knows that it is badly needed. Improvements have already been carried out that have probably made life much better for most Back Benchers who have had complaints about that organisation. Let us hope that the Bill will make things even better.

I particularly welcome also the Children (Leaving Care) Bill, which will give children—"children" is the correct term—support when they leave school, at a difficult time in their lives when they are deciding what to do with their future. Anything that can be done to try to point them in the right direction is very welcome and long overdue.

Similarly, I welcome the care standards Bill, which will bring the standards in private hospitals and clinics into line with those that we expect in the national health service. That must be right. If we are being told that private enterprise is best, it should certainly be able to stand up to some scrutiny.

I particularly welcome the Bill to help children with special educational needs. The parents of children who need treatment will be able to get the support that they so badly need. I am sure that colleagues on both sides of the House have come across parents who do not know where to turn. A little advice and knowledge will make life much better for them.

I turn now to the crime and probation Bill. I have always considered myself to be a civil libertarian, but I think that liberties come with responsibilities. I certainly do not think that anyone who has been incarcerated and who wants freedom should have any objection to being tagged. People will have the choice of continuing to be incarcerated or going out and being tagged, and if they are not going to do anything untoward, they should have no objection to being tagged. If I had the choice of being in jail or being tagged, I would take the chance of being tagged. Of course, nobody will be obliged to do so if they want to remain where they are.

In view of the problems with unauthorised drug use, which leads to some very serious crime, no one who is apprehended or suspected of being involved in crime should have any objection to being tested for drugs. That is a matter not of civil liberties but of common sense. We have heard much about the common-sense revolution; the proposal is proper common sense.

I am also delighted that, at long last, a Bill will grant access to the countryside—not unfettered access but sensible access, whereby responsibilities must go hand in hand with freedom. I very much welcome that.

Above all, I welcome the proposed amendment to sexual offences legislation, under which the age of consent will be 16 for all citizens, regardless of their sexual proclivities. That is long overdue. I have voted for such a change for many years, but it has always seemed to fall at the final hurdle. I hope that, on this occasion, we will drag ourselves if not into the 21st century at least into the 20th century.

As a humble Back Bencher, my first reaction to the Queen's Speech is always whether something in it will cause me a problem. As someone who has, on odd occasions, had to go against the Government line—not

[Mr. Bill Etherington]

with any great joy and not always with total conviction, but in trying to follow my conscience—I was very relieved to discover quite a benign Queen's Speech. The only aspect that I can envisage causing me a problem is the Criminal Justice (Mode of Trial) Bill. I find it very difficult to accept that it is right and proper for magistrates to decide whether a defendant should be tried by other magistrates or by a judge. I am very concerned about that. I do not rule out supporting the Bill, but I will have to hear some good arguments before I do so.

I see that there is another prevention of terrorism Bill in this year's Queen's Speech. Since I entered the House, I have voted against such Bills—and for a particular reason. We are all human beings and we have all had personal experiences. When I was branch secretary for the National Union of Mineworkers, three of my members lost their apprenticeships because of police abuse of the prevention of terrorism Act. Those young men were prevented from seeking proper legal redress, and it took a long time to get them back to work. They had to serve almost another year's apprenticeship before they became tradesmen, yet, without doubt, they had done nothing wrong.

I do not have time to go into great detail. Suffice it to say that, following those events, I felt that I would never accept a prevention of terrorism Bill unless it incorporated absolute safeguards that the police would behave themselves properly. The incident to which I referred occurred a number of years ago, and things might now be better, but I still remain to be convinced of the case for such legislation.

In another disgusting incident, a friend of mine was apprehended at Stranraer as we travelled back from Ireland. He was eventually released at 3 o'clock in the morning, without being charged. There could not have been any charge because there were no grounds for suspecting him. That was yet another example of police abuse of the Act, which they cited in proceedings. Before I could support legislation that empowers the police to detain animal rights activists or others who object to a civil rights matter, I would have to be convinced that it would not be open to police abuse.

I deal now with the pressure for locally elected mayors. I say to all concerned—some of my Front-Bench colleagues are present—that there is no enthusiasm whatever for an elected mayor on Wearside. The post is seen merely as yet another tier of government in which arguments could develop. There is nothing wrong with the present local government system, under which people are properly elected to represent a certain number of others where they reside. That works reasonably well, and cabinet systems have recently brought about improvements. Where people do not want a locally elected mayor, they should not have one foisted on them.

I was not very pleased to read that such mayors might be able to appoint people to help them govern. That would be a negation of democracy and a very dangerous road to go down. It would be like an emperor in his court deciding who will rule. It would not be good enough if such mayors were considered above elected councillors. I have very severe doubts about the proposed process.

In the next few days, a Back Bencher will be fortunate enough to come first in the ballot for private Members' Bills and will no doubt want to bring about the abolition of hunting with dogs. I would love to think that it would be me, but I am not usually that lucky. I hope that the Government pull out all the stops to ensure that a Bill along the lines that the public have been promised gets onto the statute book. I am disappointed that the Government themselves have not introduced such a Bill.

7.16 pm

Sir Peter Emery (East Devon): It used to be the custom in these debates to refer to the previous Member's speech. I cannot congratulate the hon. Member for Sunderland, North (Mr. Etherington) on many things that he said—I do not agree with them—but I very much encourage him in his intention to vote against the Government. Such views are most admirable.

The first part of the Gracious Speech to which I shall refer is on the future development of the European Union. It states that the Government

"will ensure that NATO remains the foundation of Britain's defence and security"

and will

"seek to continue the work of adapting the Alliance to meet the challenges and opportunities of the new century."

I do not know what those words mean. The House has a right to know what they mean, because they raise certain worries.

Although the Queen's Speech announces 28 Bills, it outlines the introduction of 33 different regulations. The Government obviously have a right to include such regulations, but I condemn absolutely the fact that 15 paragraphs of the Gracious Speech are nothing other than propaganda. The doctors of spin from Downing street used the opportunity of Her Majesty's speech to make political points. That ought to be condemned and stopped right away.

One could spend ages debating the enlargement of the European Union. The Foreign Affairs Committee has been considering the six nations that are applying to join the EU. Although those nations obviously have a right to do so, I am concerned that every one of them will be takers and will not contribute one penny in dues and fees, as opposed to the very considerable amount of money that they will expect to receive. Those of us who are major contributors to the EU must realise that.

For the major part of my speech, I shall follow my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) in commenting on the European security and defence identity. It must be made absolutely clear that NATO has repeatedly endorsed a strong European pillar in the alliance, and that was adopted at the Washington conference. In 1996, the ESDI was declared in the Berlin communiqué. That was brought about by a Conservative Government. It was designed to enable European allies to make a more coherent and effective contribution to the missions and activities of the alliance, NATO.

We have witnessed the Labour Government move through the 1999 European Council Cologne declaration, based on the common European policy on security and defence, and the Franco-British declaration at St. Malo. The Franco-British declaration played entirely into the hands of the French, who had for ages been attempting to use the Western European Union as their instrument of defence to weaken NATO. They wanted the Americans to play a lesser role in the NATO structure and saw the WEU as a means of bringing that about.

I am therefore worried that the British Government are willing to accept and even endorse the merging of the WEU into the European Union, to work with the European Union and to ensure that the EU's implementation of the Cologne summit decision will promote a strategic perspective on transatlantic security issues that conflicts with that promoted by NATO. It will also create unnecessary duplication of the resources and capabilities provided by NATO. That will be a nonsense.

The December 1999 NATO ministerial and EU summit in Helsinki is to call for the co-ordination and harmonisation of the roles of NATO and the EU. How do we begin to harmonise the introduction into NATO decision making of four non-NATO countries—four nations that are neutral, but are to have an input into the military decisions of NATO? That will be a weakness. It has been suggested that the negotiations will prevent such an eventuality. The Government have an obligation to tell us how they envisaged that being achieved.

The implementation of the Cologne summit decisions will ensure that non-EU NATO allies, including Canada, the Czech Republic, Hungary, Iceland, Norway, Poland, Turkey and the United States are discriminated against and not fully involved in the EU's decisions on the work of the WEU and, therefore, of NATO. Where does that leave those nations? They will be suspicious and might not necessarily want NATO as a whole to be strengthened, because their position in NATO will have been weakened. That is a cause of great concern. If the Government are to press forward with merging the WEU and the EU, which is entirely contrary to the treaty of Rome, they must explain how the two difficulties I have described are to be overcome.

I am greatly concerned about the world increase of biological weapons. We have a convention on biological and toxin weapons dating from the 1970s, but it contains massive inadequacies. The proliferation of biological weapons is known about and must be given serious consideration. It is imperative that this country contribute to the strengthening and extension of methods of controlling such weapons, and the responsibility to take positive action falls on the Government.

The subject is not sexy, it does not hit the headlines and people do not necessarily worry about it, but we all recognise the effect that biological weapons can have. We should all be massively concerned about their use and the threat of their use by terrorists. We have made no progress in control or prevention since the 1972 convention, and it is about time the British Government took positive steps. If terrorist organisations began to use biological weapons—they can be quite easily constructed—the damage and the danger they could cause to a massive part of a city would be immense.

7.26 pm

Mr. Tam Dalyell (Linlithgow): My right hon. Friend the Foreign Secretary deserves all credit for having persuaded the Americans to agree to a Lockerbie trial in a third country. The Foreign Office is aware that, with Dr. Jim Swire of the Lockerbie relatives, I had a three-hour meeting with Ambassador Walton and his wife: we wish them well in Tripoli.

I do not know how many Members of the House of Commons realise that they have no locus in the legal aspects of Lockerbie. They have standing in respect of the foreign affairs aspects, but the legal aspects are now entirely a matter for the Holyrood Parliament. We ought to be careful about the sub judice rule so that we do not jeopardise a trial which, I hope to heaven, starts at Zeist in February.

I am also delighted that the Foreign Secretary is to visit Iran early in the new year. Two years ago, my wife and I went on holiday there and we had the impression that the people there were yearning for contacts with the west.

With just 10 minutes in which to speak, it is not the points of agreement but the points of disagreement that one must address, however. My first point of disagreement with the Government starts with a question. What is to happen in respect of the follow-up to the raid on the Al Shifa factory in Sudan? To be frank, the evidence of the 0-ethyl-methyl-phosphonoic acid and of the circumstances surrounding the factory is such that we owe the people and the Government of Sudan an apology. It emerges that the Clinton Administration, in their enthusiasm for going ahead with the attack on the factory, ignored information from the Sudanese that they had arrested two people whom they suspected of involvement in the embassy bombings; and the State Department refused to let FBI investigators take up Sudanese requests that they question those suspects.

That is unsatisfactory, as is the lack of a proper investigation of the Al Shifa factory. It is inconceivable that nasties were made in a factory in the suburb of a capital city which had open doors and lacked the sort of security that one would associate with the manufacture of precursors or anything else.

My second point of disagreement relates to Iraq. My hon. Friend the Member for Cynon Valley (Ann Clwyd) knows that I take a view totally different from hers. I have a question down for answer on 1 December, which asks the Prime Minister:

> "What recent representations Her Majesty's Government have received from (a) UN organisations and (b) Church organisations about continuing UN sanctions and military action against Iraq."

Before my right hon. Friend answers that question, will he reflect on the situation now? It has been announced that the United States and Britain are pressing for the dismissal of Hans von Sponeck, the United Nations humanitarian co-ordinator in Baghdad. The push to get rid of him is driven by frustration following his public statements on the debilitating effect of nine years of UN sanctions on Iraq.

I have had conversations with both Hans von Sponeck and his predecessor, Dennis Halliday, who resigned. They are guided by the appalling humanitarian situation in the river valleys. For God's sake, 500,000 or more children have lost their lives. We must weigh up the sheer horror of the situation. Part of my question relates to the fact that my right hon. Friend the Prime Minister will have received from the Bishop of Coventry, and his associates who went with him, first-hand accounts of what they found in Baghdad.

My third item of disagreement is on Kosovo. I wish to press my right hon. Friend the Secretary of State for Defence to deal with the question on uranium shells with

[Mr. Tam Dalyell]

which I interrupted my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs. Under the byline of Robert Fisk in today's *Independent* it is stated:

"American aircraft used so much depleted uranium ammunition during the Nato bombardment of Serbia that US officials are now claiming—to the disbelief of European bomb disposal officers—that they have no idea how many locations may be contaminated by the radioactive dust left behind by their weapons."

I repeat my question: did NATO refuse to assist a United Nations team investigating the use of depleted uranium in Kosovo?

My hon. Friend the Member for Halifax (Mrs. Mahon) and I went to Serbia. I cannot convey to the House the sheer scale of the destruction. I want to ask a direct general question: is it legitimate to target chemical complexes such as Pancevo, oil refineries such as Novi Sad and the infrastructure of a country to achieve a military objective? That is a wide question. The answer, from one who has seen the effects of these things, is absolutely not.

For many years I represented Leyland at Bathgate. There is a plant factory in Serbia seven times the size of Leyland at Bathgate that consists now only of twisted machinery; 130,000 people are out of work as a result. The situation is horrendous when one contemplates the winter. The idea that graphite bombs temporarily knock out power stations is nonsensical. The reality is that they debilitate them.

My next question relates to the stability pact. I have been reading Misha Glenny's remarkable writings. He states:

"The Stability Pact is washed up on a distant shore of the European Union bureaucracy . . . Countries like Romania and Bulgaria bent over backwards to assist the West during the bombing campaign and they expect payback, but they're not getting it. If they don't get payback their rulers will be out. And what you might get in their place, heaven knows. We are not even . . . giving Romania and Bulgaria reasonable access to EU markets. The Stability Pact was a good signal, but it is not happening. It really isn't moving. And yet you don't get Robin Cook coming on television every day to say the Stability Pact is in danger of being washed up, which it is. Do we hear people saying out loud: 'We're in new danger'? No."

Misha Glenny was the person who was right in 1991, and he might be right again.

I ask about the ethnic cleansing of the Serbs and Roma in Kosovo involving 200,000 people. That is not why men of the British Army went to risk their lives. One of the terms of the peace agreement with Serbia was that in return for Yugoslav forces leaving the area, civilians would be protected and the Kosovo Liberation Army disarmed. Neither of those things has happened. The KLA is now being installed as the legitimate police force. Is that not a clear betrayal of NATO's solemn undertaking?

Why is NATO unable to stop the systematic destruction of more than 70 Christian monasteries and churches in what is clearly a co-ordinated and systematic campaign that is being carried out by people with knowledge of mining and explosives? They are not just a few vandals. Furthermore, my hon. Friend the Member for Halifax and I have the strong impression that there is no will on the part of KFOR to protect the ethnic Serbs whose home it was and to which the area was promised. Only the Irish Guards—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order.

7.36 pm

Mr. Bowen Wells (Hertford and Stortford): I shall take up shortly the remarks of the hon. Member for Linlithgow (Mr. Dalyell) about Kosovo, but first I want to copy him by congratulating the Government on two policies that were announced by the Foreign Secretary today. First, in the WTO Seattle round, the Government wish to adopt a comprehensive development trade round that will benefit the poorer countries in the world, and begin to attack the protectionism developed in the European Community and the United States against products and imports from developing countries. I believe that in that way we can make a great step forward to help those in abject poverty throughout the world.

Secondly, I congratulate the Government on their achievements on debt initiatives, which they took up at Cologne and succeeded in getting through the International Monetary Fund and World Bank meetings at Washington in September and October. I am delighted that the United States has enacted the necessary legislation to support the initiatives.

I lament the fact that I will not be able to herald, as I would have wished, the report of the Select Committee on International Development on women and development, which will be published on Thursday. I will have to leave hon. Members to read that excellent but alarming and devastating report. I can, however, herald the report that the Committee intends to deliver to the House on sanctions, probably in early December.

That brings me to a serious question. The United Nations has put in place comprehensive economic sanctions cementing Saddam Hussain into power. As he has to ration food, health provision and clothing to all his people, they are all entirely dependent on him and will not revolt against him.

We are doing exactly the same thing in Serbia, against which there are comprehensive economic sanctions. There are 800,000 refugees without proper housing. They face a devastating winter and will be entirely dependent on Milosevic and his Government to enable them to maintain life and limb, to keep themselves warm so as not to die of hypothermia, and to keep their livelihoods. The sanctions policy is a nightmare. It is completely the wrong to achieve our ends.

The situation in Serbia is extremely serious. I shall speak about the refugees who were made homeless as a result of our bombing of Kosovo, but first I shall respond to the right hon. and learned Member for North–East Fife (Mr. Campbell), who is not in his place. In a previous debate, the right hon. and learned Gentleman challenged me on the legality of the intervention of NATO forces in Kosovo.

Mark Littman QC has published a book for the Centre for Policy Studies in which he asks:

"Was the Campaign Lawful?"

The eminent QC concludes, as I warned Foreign Office Ministers at the time, that

"the Government, while correctly accepting that the Kosovo bombing could not be justified if it involved a grave breach of international law, wrongly assured the British public that it did not involve such a breach, while refusing the Yugoslav challenge to have the point tested before the International Court of Justice."

In other words, the intervention was and remains illegal.

It is all very well for the Government or the right hon. and learned Member for North–East Fife to say that we should have a method of intervening on humanitarian

grounds, and to propose five points, as the right hon. and learned Gentleman did, but that is not yet international law.

What we did was to flout the law, and we did it deliberately, as Mr. Littman says. If we call on Israel, Palestine and Russia to obey resolutions passed by the United Nations, how can we refuse to abide by clause 2.4, which makes action of the kind that we took in Kosovo illegal?

Mr. Littman goes on to ask:

"Was the Campaign Necessary?"

His conclusion is:

"It is possible that the Kosovo problem could have been settled by diplomacy and without the use of force. It is certain that NATO did not make every effort to do so: at a critical point in the discussions at Rambouillet, NATO abandoned diplomacy in favour of a package of non-negotiable demands contained in a document described by Dr. Kissinger as 'a terrible diplomatic document', as a 'provocation' and as an 'excuse to start bombing'. And it is likely that, if the terms which were agreed at the end of the campaign had been put forward at Rambouillet, then the ethnic cleansing and the war could have been averted."

Those are not my words, but the considered opinion of an eminent QC who has examined all the facts.

The war having taken place, we must look after those who have been displaced. The UNHCR reported to the International Development Committee. Mr. O'Sullivan, who is in charge of UNHCR throughout the Balkan area, including Serbia, appeared before us as a witness and told us that UNHCR will have repaired only 50,000 houses by the time winter sets in. The winter temperature in the Balkans often falls to 20°, low enough to cause hypothermia in old people and children, and in the middle-aged population.

Materials have been supplied to repair only one room in each of the 50,000 houses. As we heard today, more than 100,000 houses were totally destroyed. That means that people will be living in tents which, even if winterised, are thoroughly inadequate to see young children and old people through the winter.

That is what we have produced in Kosovo, and our response is entirely inadequate, as was predictable. *The Guardian* of 15 October stated that the cost of humanitarian aid will be £2.54 billion, and that of reconstructing Serbia and Kosovo about £20.5 billion. What did the World Bank and other donors agree only two days ago to give to that area? One billion pounds.

Before the bombing, Serbia already had 400,000 refugees from Bosnia-Herzegovina and Croatia in camps. There were Roma people among them, and the refugees were inadequately looked after, without food, shelter, medical supplies or the means of keeping themselves going during the winter. Serbia now has double that figure, most of them from Kosovo, and most having been ethnically cleansed by the Kosovars. That, too, was predictable.

Those people have no housing and no power. They have no power because the power stations were destroyed by our bombing, and we are proposing to do nothing about it, because sanctions have been imposed and because Milosevic is still in power. Is that a humanitarian response—an ethical foreign policy—to 800,000 people in Serbia who are likely to lose many of their friends, relatives and children from hypothermia this winter? I think not. The same is true of Kosovo. We need to redouble international humanitarian efforts in order to stop a true humanitarian disaster.

7.45 pm

Dr. Phyllis Starkey (Milton Keynes, South–West): I start by wholeheartedly endorsing the comment of my hon. Friend the Member for Dundee, West (Mr. Ross) that there will not be a sustainable settlement in the middle east peace process unless there is a proper recognition of the rights of the Palestinian refugees in international law and as laid down by United Nations Security Council resolutions.

The main topic about which I shall speak is Russia, and in particular the remarks in the Gracious Speech about improving the effectiveness of EU foreign and security policy, and our commitment to NATO as the foundation of Britain's defence and security.

Russia is clearly no longer the super-power that it was, but it remains an extremely important player in Europe and the world. It has huge potential resources, once it gets its economy sorted out, but it is also a huge threat, not because it may attack the west, as used to be the case, but because it has within its territory a vast number of decaying nuclear facilities, both civil nuclear power facilities and the enormous nuclear submarine fleet that is rotting in the Pacific ocean or the Baltic sea.

That problem not only poses a huge environmental threat to western Europe but—because security in the Russian Federation is not what it used to be—offers the possibility that some of those nuclear sources may go astray and fall into the hands of terrorists or criminals. Furthermore, the breakdown of order in the Russian Federation has led to a huge growth in organised crime, which is starting to be exported to the rest of Europe.

Grave threats are posed by the Russian Federation which are much more serious to Europe than to the United States, simply because of distance. The threat is next door to us.

The EU common strategy on Russia recognises the need for the European Union to take seriously the issues posed by the Russian Federation, and to try to co-ordinate our foreign and defence policy in relation to Russia. The common strategy is largely driven by the Nordic members of the EU and tends to focus on the northern dimension, not least because people in Finland are under immediate threat of pollution if there is an accident at a Russian nuclear power station like the one that occurred at Chernobyl. Also, Finland has a border with the Russian Federation and realises the instability that arises when there is a great economic disparity between the two sides of a border.

The events taking place in Chechnya demonstrate the importance of developing a southern dimension to the EU's common strategy on Russia. We should be concerned about the dynamic among the European Union, NATO and Russia. I am referring not just to the Russian Government but to the internal dynamics within Russia.

To many in Russia, NATO is a threat. It is natural that the Baltic states and others that were formerly part of the Warsaw pact should wish to join NATO. I understand the reason why they want to do that—the security that it gives them, and the symbol that NATO provides of their acceptance into the western world—but we should be aware of the way in which the enlargement of NATO is perceived from the Russian point of view.

[Dr. Phyllis Starkey]

Enlargement plays to an agenda that suggests that NATO is trying to encircle the Russian Federation. NATO is a body set up for the defence of Europe, but defence is necessary against an external threat, and the Russians believe that they are seen as that external threat. Therefore, they view NATO as potentially aggressive rather than defensive. They interpreted NATO action in Kosovo as setting a precedent for NATO to act aggressively.

Kosovo caused several conflicts; the most obvious philosophical one was human rights versus sovereignty. To the Russians, human rights were placed above sovereignty in Kosovo. For them, that has obvious parallels with Chechnya. One analysis views events in Chechnya as the Russian military's riposte to what it believed to be the wrong decision in Kosovo, and a reassertion that, for it, sovereignty is more important than human rights.

We in the west need to continue to state clearly the values for which we stand, and to tell the Russian Federation that its behaviour in Chechnya is neither sensible nor justifiable. Its actions do not constitute the most sensible way in which to overcome terrorism, and it is not acceptable for the Russian Federation to cause such enormous damage to civilians and the infrastructure of Chechnya in its blitzkrieg attempt to blast a few terrorists into oblivion.

However, it is important for Britain and Europe to return Russia to the notion that it is acting in partnership with the rest of Europe. That would help to deal with threats to world security that endanger Russia and the rest of Europe. It means recognising Russian sensitivities. The right hon. and learned Member for North–East Fife (Mr. Campbell) said that the conflict in Chechnya was popular in Russia. That is true. It is ironic that Mr. Putin is taking such action in Chechnya because Russia is moving towards a form of democracy and he needs to play to voters' sensibilities. It is regrettable that most Russian voters do not have great respect for the human rights of the Chechens, and that they applaud their Government's actions in Chechnya. We must acknowledge that it will probably help to gain Mr. Putin a bigger vote in the presidential elections than he would otherwise have had.

In NATO, we need to take account of the balance of advantage. We gain security from the alliance and from enlarging it. We also gain from a real and effective partnership with Russia, not from the confrontation to which we seem to be returning.

We must be especially careful in the Caucasus. The recent announcements about oil pipelines from Baku to Ceyhan have been dictated by United States political objectives, not by economics. They are part of the Americans' aim to promote Turkey and to avoid at all costs a pipeline that goes through Iran. However, the proposal is likely to create in the Russians a fear of a United States-Turkey-Israel axis and has already led to Russia shipping weapons across the Caspian sea into Iran. Iran's isolation strengthens its theocratic elements, which we do not want to back, rather than its more progressive forces, which we support.

The key problems in the Caucasus are poverty, the lack of an effective Government in many of the countries in the region, and the fact that much power is in the hands of warlords and criminals. Working together through the Organisation for Security and Co-operation in Europe is the best way forward.

In the Gracious Speech, there was a reference to the United Kingdom Government playing an active part in the Council of Europe conference against racism in October 2000. I would be grateful if Ministers made a note of the point so that they can deal with it. The conference is trying to present one of our key European values: tolerance of diversity and the notion that all are different but equal. I want to ensure that we will stress the importance of combating racism towards the Roma. Most European countries, including the United Kingdom, fall down on that issue. The United Kingdom should stress the need for human rights education and promoting a human rights culture in society. I hope that the Minister will tackle those points when he sums up.

7.54 pm

Mr. Nicholas Soames (Mid–Sussex): I endorse much of what the hon. Member for Milton Keynes, South–West (Dr. Starkey) said, especially about reaching a more sensible accommodation with Russia. Many of us spoke about that at the end of the Kosovo conflict. It is crucial to our country.

The Foreign Secretary's speech today was an atrocious response to the Loyal Address. It was one of the worst speeches by a Foreign Secretary that I have heard in 16 years in the House. He did not mention China's signing of a World Trade Organisation agreement with the United States; there was not a word about India—although the Foreign Secretary cannot have happy memories of that country—and nothing about the Gulf. He paid a chippy and insincere tribute to the Foreign Office, which I remember him caricaturing as being full of old Etonians dressed in pinstripe suits. He made a caricature of one of the finest diplomatic services in the world. From the Conservative Benches, I pay a genuine and warm tribute to the work of the diplomatic service in the past year. Wherever I go, I find people of extraordinarily high quality who do a remarkable job for our country.

Foreign policy requires clarity and confidence at home among the public and the media. The Government have neither. The so-called ethical foreign policy is a sham. Lord Carrington brilliantly describes it in *The Daily Telegraph* today as

"Cant, hypocrisy and double standards".

The high-flown socialist sentiment has not translated into credible or practical foreign policy. If the Secretary of State for Defence could spare a minute from his lighthearted conversation on the Front Bench, he would hear me warn him that he is in grave danger of undermining the competence and authority of NATO. If he has read the violently anti-American speeches that President Chirac and Mr. Jospin made recently, he will realise that we are in dangerous waters. The Government use defence as a European bargaining chip. One of our greatest national assets is being used as a pawn in a European game. I warn the Secretary of State for Defence that he must ensure that it is not squandered on some squalid French deal.

I want to speak briefly on defence matters, but not on strategy, about which my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and my right hon. Friend the Member for East Devon

(Sir P. Emery) spoke. I shall speak about simpler matters. As a former Minister for the Armed Forces, who misses his previous job every day, I pay a warm tribute to service families, wherever they are. I know that the Secretary of State will want to do that, too. He will understand that undermanning and overstretch—which is much worse than when we were in power—in all three services impose significant strain on services wives and their children. By simply keeping the home fires burning, they give their menfolk in the field an important morale boost.

Despite the recent glossy "brochette" that has been distributed to the forces, not enough is being done for service families, given the parlous position of many of them. Families who return from overseas experience difficulties in getting the help that they need. There are housing difficulties, which are largely caused by lack of money; medical lists are often full, and service families experience problems in getting their children into the schools that they choose. The Secretary of State must deal with those issues as a matter of urgency.

When I was Minister for the Armed Forces, I failed to do something that I would like the Secretary of State to try to achieve. He should make it the convention that a service man who leaves the armed forces, returns to the town where he was born—should he go back there to live—and has been on the housing list before will automatically, with his family, go to the top of that list. That, surely, is the least consideration that we can give to our soldiers, sailors and airmen. The right hon. Gentleman should not employ consultants to tell him what to do, but should sit down and have a good, hard think about that and come up with some bold and original activity.

The strategic defence review promised a great deal but, as the right hon. Gentleman knows because he is trying to find a solution, it is already out of date. It was always going to be so; none of us in the House has ever yet seen the entirely fictional foreign policy baseline that was meant to be the guide of the SDR. Anyone who has worked in the Ministry of Defence knows perfectly well that the SDR was run by the MOD with the Treasury sitting on both its shoulders. As the Treasury works for the Russians, the result was entirely predictable. The problems that he has had to deal with are exactly the same as I had to deal with—recruiting, retention and commitments. The result of the SDR is that all three services are grossly overcommitted, seriously undermanned and very seriously underfunded.

The folly of the scaling down of the Territorial Army is brutally exposed every day but, on money, the Secretary of State must stand firm. He has the confidence of the armed forces because they believe that he has the ear of the Prime Minister and they will expect him to fight most vigorously for the extra resources that they need. It is now widely known that the financial situation at the MOD is desperate. Those of us who saw Admiral Blackham's memorandum, which was leaked to *The Daily Telegraph* at the weekend, know that that is the case. Further financial resources must be found. I say this to the Prime Minister: the services delivered for him; he must deliver for them.

On a personnel matter, I want to discuss ethos and political correctness in the armed forces. It has always been accepted—I hope that the Defence Secretary will understand this—that when someone joins the Army he chooses to abdicate certain liberties. The circumstances of military life are not, and cannot be, the same as those of civilian life. A high standard of personal conduct, respect for the law, teamwork, cohesion, trust, a highly developed sense of duty and obligation and real integrity are required. The problem is that those qualities are not immediately recognised outside the armed forces. It is encouraging, however, that the comradeship, team spirit, loyalty, patriotism and the emotional, intellectual and moral qualities that lead people to put their lives on the line are still hugely admired when people bother to think about them for a moment.

What sets the Army apart from all other institutions are the generally exceptional qualities of its leadership, but there will be real difficulties in maintaining that for the future. Potential officers will come from a British way of life that is in general intelligent, but rather unbiddable; acquisitive to the verge of selfishness; unfit; agnostic theologically and probably militarily; short-term; and inclined to immobility. Those officers will have to be converted into fit, resilient and inspirational young leaders who will accept discipline, danger, discomfort and separation and can lead in peace—and, most importantly, in adversity—with high professionalism, panache, a sense of fun and real understanding of the people they command.

For the soldier of today—as it was for his forebears—warfare will continue to represent the ultimate physical and moral challenge. He will encounter extreme danger in rapidly changing circumstances amid conditions of chaos and uncertainty. His skills, the quality of his training, his equipment and all that he has learned will be terribly tested. Such operations are sustained only by those who have had the most vigorous military training. I hope that the Secretary of State will determine that nothing will be allowed to interfere with the remarkable training that our troops receive. It gives them the confidence to remain as they always have been—unbeaten. He must see to it that political correctness does not destroy the ethos of the services, which has given us superb armed forces whose record and unbeaten glory should earn them the right to be left alone.

8.5 pm

Mr. Tony Worthington (Clydebank and Milngavie): Everybody agrees with the tribute paid to the defence forces by the hon. Member for Mid-Sussex (Mr. Soames). I should however like to correct something that he said—he probably missed this point during one of his lunch hours: the Treasury no longer works for the Russians and it has changed since his day.

I particularly want to commend the Government for the proposal to take steps to ratify the establishment of an International Criminal Court, which is an important move forward. It will fill a yawning gap in international provision that has been present since the setting up of the United Nations itself. We have to bring law, order and justice to the regulation of such important international affairs as genocide. The perceived need for an international court grows and grows. Not only trade, but knowledge of the atrocities committed in places such as Rwanda, East Timor and Kosovo has been globalised. The demand for action from an International Criminal Court is present because we know what is going on, wherever in the world it is taking place, and we learn about such crimes through means that were not available in the past. We can no longer rely on ad hoc provisions such as those for Rwanda or the former Yugoslavia. We need to

[Mr. Tony Worthington]

establish an International Criminal Court with respected powers and procedures, and it needs to demonstrate quickly that it is a big hitter so that people such as Karadzic, Mladic and Milosevic know that they are not safe. We need such a court not only to deal with present atrocities, but to send a clear message for the future that we have to move on this issue.

I particularly welcome the fact that the election of the new British Government gave a strong boost to those who have worked so long for the establishment of an International Criminal Court, but there are flaws in the proposal and I hope that the Minister—either today or in writing—can give us the assurance that it will be improved. First, and most importantly, it is crucial that the prosecutor be genuinely independent. Unless he can act on his own initiative and not be subject to the control of the Security Council or anyone else, we will not be able to have full faith in the court. No one must be above the law.

I shall give a current example. All legislation passed by the House has to be tested against the European convention on human rights. We in Scotland have been bitten by the ECHR because a judgment has been made that the practice of appointing a large number of temporary sheriffs, which grew up under the previous Administration and continued under this one, infringes the ECHR. It was not possible to show that the judges were separate, or distant, from the Government. That judgment has to be taken seriously, but we are considering the establishment of an International Criminal Court, and the decision whether or not to take an initiative may be subject to global politics and the make-up of the Security Council. We must consider that issue.

We must also consider the provision, which was inserted by a group of nations at a late stage during the proceedings on the ICC, that a nation could be immune from action by the ICC for seven years. That just gives the go-ahead to those who commit genocide. Justice has to be rapid and it has to be done when memories are fresh. If there is a seven-year immunity, it will be a wrecking clause in respect of the carrying out of such justice.

I would like an assurance from the Government that they are working hard on the proposals for the ICC with those important nations that have not yet signed and ratified the treaty. We must have China, India and Israel on board, but above all we must have the United States.

Much has been said today about the United States. I am one of those who want the United States to be fully on board: we must not give way to the isolationist tendencies in the US that would seek to take it out of international relations. I am thinking of the republican right wing—the moral majority, as it would call itself, although I do not agree—which seeks to undermine the deal that was done in Cologne, and the deal that was done with the International Monetary Fund in Washington with regard to debt. It approved only half that deal last week. I am also thinking of those who say, "The United States can pay its dues to the United Nations, as long as the family-planning activities of the United Nations Family Planning Association are scrapped". We must involve the United States—or, at any rate, those elements that recognise their international duties, and do not want the US to fall into the hands of the republican right wing.

I welcome the steps that have been taken to inject an ethical dimension into foreign policy, but I do not mean "ethical dimension" simply in the sense in which we have referred to it tonight. I am also talking about trade policy, and the World Trade Organisation. I welcome the statement made in this morning's *Guardian* by my right hon. Friend the Secretary of State for International Development that it was necessary to

"make the next trade round a development round".

She said that we needed

"an agreement to discuss a broad based round, then we can organise to support real gains for the poor."

That is what makes reality of an ethical foreign policy—when what people eat, and their ability to sell their goods, are looked after by powerful countries that can ensure that the terms of trade are fair.

The Select Committee on International Development has recently spent a good deal of time considering the issue of sanctions. I hope that, over the next year, the Foreign Office will also devote a lot of time to considering how we are to implement a system of punishment, or discipline, to be applied to rogue nations, that will put an ethical dimension into the heart of its activities. Many of us feel uncomfortable about condemning leaders, wherever they are in the world—I will not single any out—against whom we take sanctions, in the knowledge that, as a consequence of our actions, the populations involved may experience the same horrors as they experienced under those leaders.

We talk a great deal, saying that we must do something. It is striking that, in regard to sanctions, the United Nations does not seem to have a brain: it does not seem to have the research capability to specify the sanctions that should be employed in the relevant circumstances. It is offensive that Saddam Hussein and Milosevic should become wealthier while we are punishing them. We have not devoted enough attention to financial sanctions, and we have not ensured that, when we impose sanctions on countries, the outcome does not punish those who have already suffered heinously at the hands of brutal masters.

8.13 pm

Mr. Martin Bell (Tatton): I shall be extremely brief.

I listened to the Queen's Speech with a certain amount of dismay, because some of it sounded to me like a party political broadcast. I felt that whoever had drafted it had not paid enough respect to the Queen's dignity, or to the Queen's English.

I want to concentrate on defence, and to endorse what was said by the hon. Member for Dundee, West (Mr. Ross). A prelude to this debate was a remarkable documentary drama shown on BBC television over the past two nights, called "Warriors". It demonstrated, most powerfully, the new dimension of soldiering—the situations in which our young men find themselves, the horrors that they witness, their courage and their dedication. I walk out of most movies about the wars in which I was involved, but this was exceptional. It was truthful—at least as truthful as any news reports of the time, including my own.

Having seen the real soldiers, I often ask myself, "Where do we find such people?", and beyond that, "How do we treat them?" Do we treat them well enough? Is the duty of care as it should be? My experience, especially in

recent years, suggests that that is not the case, which is why I welcome the legislation concerning military discipline. It is about time that soldiers enjoyed the same human rights, within the military discipline, as civilians. It is about time we ended the situation in which soldiers, especially officers, tend to be arrested in the most high-profile and demeaning circumstances. They are court-martialled, and, following their acquittal, their careers lie in ruins.

I am glad that the Secretary of State for Defence is present, because I want to tell him that he has a problem with his police force. There are more than 30 police forces in the country, and the least accountable is that of the Ministry of Defence. It is not highly regarded by the armed forces, or by other police forces. Its procedures are unjust, and it is apparently unaccountable. I wish the Secretary of State's officials to look at the minutes of the meetings of the Ministry of Defence police board over the past two years, in order to establish which officers did not attend and which officers did not send deputies. I think that these are important matters. I have raised a specific case repeatedly in the House, and I shall raise it again.

Problems of discipline are especially acute at times of severe overstretch, and this is a time of severe overstretch. I suggest to the Secretary of State that a new measure, or index, of that overstretch might well be provided by statistics that he may not have, but should acquire. I refer to the divorce rate among service men and women, particularly soldiers. The right hon. Gentleman will find that the rate is going through the roof, especially in engineering and reconnaissance regiments and medical units, which have had to bear the greatest burden in peacekeeping and peace enforcement. That burden has been increased by the commitment in Kosovo.

A certain theory, or doctrine, seems to have been taking hold. It seems to be believed that there is such a thing as a cost-free military operation—that we can intervene and change circumstances on the ground with no casualties to ourselves. It is true that, between March and June, none of the air crews involved in that aerial bombardment suffered so much as a twisted ankle; but that was at a dreadful cost on the ground. We were bombing from so high up that it was sometimes difficult to tell the difference between a tank and a tractor, and, in some cases, the chosen targets were deliberately civilian. Examples were a television station, a car factory, and bridges. That is against the Geneva conventions.

I commend to the House a remarkable article by a remarkable man in today's *Daily Telegraph*. The man is Lord Deedes, a front-line journalist 25 years my senior. I was with him in Kosovo in September. We toured the broken villages and the minefields, and we discovered, among other things, that most of the casualties—most of them were civilians at the time—were victims not of Serbian mines, but of NATO cluster bombs. Fourteen thousand of those cluster bombs are lying on the ground in Kosovo. Even the manufacturers admit that there is a 5 per cent. failure rate if they are dropped from the optimal height of 3,000 ft; if they are dropped from 15,000 ft and above, the failure rate is much greater. What those instruments of death and destruction have is the quality of aerially sown anti-personnel mines. Before we become involved in a moral debate about that, perhaps the MOD might ask, "Are we happy about using a weapon that does not work, that kills civilians, and that kills"—in the case of the two Gurkhas—"our own soldiers as well?"

When our weapon systems work, when the duty of care is exercised, when someone has got a grip on the Ministry of Defence, when our soldiers are fairly treated, and when we have a quality of direction of armed forces that matches the quality of the armed forces themselves, I shall believe that we have really made some progress.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am aware that many hon. Members have been present throughout the debate. If every speaker now takes his full 10-minute allocation, I shall disappoint several others, so I hope that the example shown by the last two speakers will be borne in mind.

8.19 pm

Joan Ruddock (Lewisham, Deptford): A third of my constituents have ethnic minority origins, with large populations from the Caribbean, the Indian sub-continent and west Africa. Many seek my help with immigration and nationality problems, but others lobby me about the conditions in the countries from which they came originally. Sade Akinsanya, from the local Oxfam group, came to see me last Friday. Before that, I had representations from the local branch of the World Development Movement.

Also last week, I was privileged to meet a group of Indian farmers who were in the UK courtesy of the ActionAid charity and Iceland, the food retailer. They had come to lobby Ministers about the forthcoming World Trade Organisation meeting in Seattle. They were poor farmers practising traditional agriculture and providing much needed food within sustainable local economies. It is they, like many of my constituents' relatives back home, who are on the receiving end of the WTO agreements. What they and their supporters in ActionAid, the World Development Movement, Oxfam and others are saying clearly is that, thus far, trade liberalisation has been the equivalent of an unequal bargain. Many developing countries have undertaken substantial liberalisation under structural adjustment programmes, but developed countries have not reciprocated.

Implementation of the Uruguay round means that the average tariff on imports from the least developed countries into the industrialised countries will be 30 per cent. higher than the average tariff on imports from other industrialised countries. Moreover, specific promises by the developed world have not been kept. Quota restrictions on textiles were supposed to be removed from 33 per cent. of imports by 2001, yet the United States and the European Union are likely to remove restrictions on a mere 5 per cent. of those products of importance to developing countries by that date.

Another specific and vital promise has been entirely forgotten. The 1994 Marrakesh decision recognised that trade liberalisation was likely to increase food import prices for the poorest. Assistance was promised to net food-importing developing countries and to the least developed countries if food price instability and higher food import bills resulted from falls in food aid and subsidised food imports. Yet, even when cereal prices rose by 68 per cent. in 1995-96, no action was taken.

That is the background to the Seattle talks: developing countries are losing up to $700 billion in annual export earnings as a result of trade barriers, while the United

[Joan Ruddock]

States support for its own agricultural sector alone still runs at about $25 billion, and that of the EU runs at around $85 billion. None of that will be news to Ministers. I welcome the commitment that was made by my right hon. Friend the Foreign Secretary that, if the UK Government were able to determine it, there would be a strong development focus at the talks.

The Government have much of which to be proud, particularly the leadership of Ministers on debt relief to the poorest, but implementing the agreements is costing developing countries dear. As a World bank study for the joint WTO-World bank conference in Geneva this September found:

"implementing WTO agreements could cost more than a year's development budget for the very poorest countries, often for little benefit."

That must give the House cause for concern. Trade is at the heart of our international relations. It is the means by which countries can lift themselves out of poverty and military conflict can be lessened, but trade liberalisation that is carried out too quickly can wreck fragile markets and distort fledgling economies.

The scope of the agenda at Seattle is crucial. The UK position is in favour of a comprehensive round, which Ministers believe will offer the best chance of making progress in sectors such as agriculture. However, development non-governmental organisations argue that WTO members should adopt a much more limited development-focused agenda. I am sure that compromise can be found, but, whatever the agenda, the fundamental imbalances already observed in implementing the Uruguay round must be addressed.

A commitment to review progress on liberalisation of trade in agriculture and services already exists. I urge Ministers to press for such a review of the impact of existing WTO agreements on developing countries before there is further liberalisation. WTO agreements should promote development and poverty reduction. The international development targets that have been fully endorsed by the Government provide us with the key benchmarks on which the efforts of the WTO should be judged.

There is a need to review the trade-related intellectual property rights—TRIPs—agreement. Article 27.3(b) of the agreement requires WTO members to provide intellectual property rights over plants and animal varieties. Developing countries believe that the review of the life patent provisions should be substantive in the light of recent developments.

Saving, exchanging and selling seeds has been the right and practice of subsistence farmers throughout the developing world for centuries. It is the basis of sustainable communities and food security for the poorest. Although the WTO agreements permit the development of a sui generis system as an alternative to patents, there is no agreement on what that means. As a consequence, developed countries have rushed headlong into patenting, with the result that the Governments of the south are bogged down financially and technically in implementing WTO agreements. India, for example, has a backlog of 30,000 patents.

A rash of so-called biopiracy cases has come to light, the most notorious of which concerns basmati rice, one of India's fastest growing exports. Basmati is unique to the Punjab border regions between India and Pakistan, yet, in September 1997, the Texas-based Rice Tec Inc was granted a United States patent on basmati rice lines and grains. The variety on which Rice Tec has gained a patent has been devised simply by crossing Indian basmati rice with a semi-dwarf variety. Small wonder that the Research Foundation for Science, Technology and Ecology in India calls that a clear case of biopiracy—a theft of the collective intellectual biodiversity heritage of Indian farmers, a theft from traders and exporters whose markets are being stolen, and a theft of the name "basmati" which describes the aromatic nature of that rice.

Those issues are crucial to our wider commitment to an ethical foreign policy and justice for the world's poorest. While the lead Department in these matters is the Department of Trade and Industry, the UK's unique position in the Commonwealth and Labour's good record on aid lead many developing countries to look to Foreign Office Ministers to hear their case.

As ActionAid argues in its food rights campaign briefing:

"The liberalisation of trade is putting enormous pressure on developing countries to intensify their agriculture to produce for export, resulting in a bias against small farmers in favour of larger producers and agribusinesses. Trade liberalisation is being accompanied by a growing number of hungry people . . . and marginalisation of the rights of the poor over land, seed and traditional knowledge."

The agenda at Seattle will determine the framework within which those problems will be reduced or increased. I urge the Government to hear the case being made by developing countries and development NGOs and to do whatever they can through their good offices in the European Union to ensure that the WTO does not remain, in Oxfam's words, "loaded against the poor".

8.29 pm

Mr. John Wilkinson (Ruislip–Northwood): A speech by the Foreign Secretary is always an entertaining occasion and today's was no exception, particularly when he expounded the merits of his ethical foreign policy. His speech was so full of contradictions, inconsistencies and laughable hypocrisy that it was difficult to know whether it was a Rory Bremner Foreign Secretary's speech or the real thing. Sad to say, we know that it is the real thing. Our country is suffering from a credibility gap in the conduct of its foreign affairs because of the Foreign Secretary's consistent harping on two themes: first, the so-called ethical foreign policy, and secondly an obsession with the European Union and all its works.

I found it extraordinary that a Government proclaiming an ethical foreign policy should lay the red carpet out to the extent that they did to President Jiang Zemin of China and pay so little attention to the issue of Tibet and the liberties of Tibetans and freedom-loving people in the People's Republic of China. On Kosovo, our Government were firm and resolute and prepared to take military action supposedly in support of human rights, yet in Chechnya, where there are no human rights issues involved and the people are similarly determined to decide their own affairs, the Russians can get away with murder—literally—on a mass scale and with the use of weapons of mass destruction. When I asked the Foreign Secretary whether it was appropriate in the circumstances for the west to continue to give credits on a large scale, I was told that were we not to do so we would risk default

by the Russians on western loans. The inference is that we are giving the Russians carte blanche. The more that they prosecute their murderous actions in Chechnya, the more credit from the west they will need and the greater the danger of default will become.

That is a deplorable foreign policy, giving the impression that the Russians have a free hand in what their military regard as their natural sphere of influence. The Foreign Office may regard countries or ethnic areas in the Russian Federation as fair game for military operations by the Russian armed forces, but it is a small step for the Russian military to take that logic further and pose a threat to the Baltic states and other former constituent republics of the old Soviet Union. I hope that the Government will increase their efforts to support Ukraine and build up a fruitful relationship with it. I was surprised that the Foreign Secretary failed to express his appreciation in his speech of the re-election of President Kuchma.

I was equally surprised that the Foreign Secretary failed to mention Latin America. Perhaps he thinks that the apprehension of an 82-year-old sitting senator in his London hospital bed is a substitute for an effective foreign policy. Better to fight the cold war in Chile of 26 years ago than to do something about the extremely hot war in Colombia today, which is causing mass misery and the deaths of thousands in a campaign by Marxist guerrillas and narco-traffickers, which is a menace not just to the preservation of democracy in Colombia, but to security in the region.

The Foreign Secretary's speech was a sorry performance, and so was the text to which he was speaking. I shall quote just one sentence from the Gracious Speech. It says that the Government

"will promote the enlargement of the Union, support co-operation in the fight against cross-border crime and work to improve the effectiveness of the European Union's foreign and security policy and its development programmes."

Those are all ostensibly laudable objectives and I hear Labour Members saying "Hear, hear" in loud approbation. However, any close examination of what the Government are about will make the deficiencies of their policies plain.

On enlargement, it is noticeable that 10 years after the Berlin wall came down and eight years after countries such as the Baltic states and Ukraine regained their independence, there is no significant progress towards enlargement of the European Union. It remains the rich man's protectionist club, as demonstrated admirably in the speech by the hon. Member for Lewisham, Deptford (Joan Ruddock).

The common agricultural policy makes it too expensive easily to admit the applicant countries of eastern Europe. The common fisheries policy causes apprehensions, as we are worried that the Polish and Latvian fishing fleets will make further depredations on the common resource which is our waters. There is also the question of European law being sovereign and supreme within the EU, which means that the harmonisation process is difficult to achieve.

The ultimate obstacle is that applicant countries must meet the conditions necessary to join the European single currency. This country, which has one of the most buoyant economies in western Europe and the existing European Union, finds it hard enough to meet the five criteria set down by the Chancellor for admission to the single currency. How much harder it must be for the poorer and less-developed countries of eastern and central Europe.

Two aspects of the common foreign and security policy cause me profound apprehension. Many would not develop these arguments, but I will face them head on. First, the corpus juris with which the Government are flirting—ostensibly with the laudable objective, again, of preventing cross-border crime—would, I fear, provide a precedent for interference in the law and order policies of member states.

Secondly, the creation of a European intervention force—adumbrated at St. Malo by the Prime Minister and his French counterpart, and developed at the European Council of 15 November by the Secretary of State for Defence and his European counterparts—could provide the means for intervention by a European military force in another member of the EU to try to prevent it from seceding or pursuing policies which the EU as a whole believed to be inimical to its interests.

I have grave doubts about a Euro corps, over and above those so well expressed by the shadow Foreign Secretary, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), and my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). They made plain the degree to which the development of such a corps into a separate entity, pursuing separate political objectives from those of the Atlantic alliance as a whole, could diminish the credibility of NATO.

Another aspect of European defence collaboration is supposed to be in armaments, but here, too, I must urge caution on the Government. We need the tools to provide that European element to NATO's intervention forces, but we do not have them. We do not have the heavy lift, and many significant joint European programmes—such as the common new generation frigate, the multi-role armoured vehicle and other similar projects—have proved to be costly failures.

I urge the Government not to be too excited by the prospect of a European defence agency, but to put British industry first and to make sure that we as a country make a cost-effective contribution to the industrial defence base of our continent—and to do so in partnership with the United States just as much as with Europe.

8.39 pm

Ms Rachel Squire (Dunfermline, West): I begin by joining all those who have paid tribute to the diplomatic services and to the British armed forces and their families. I share the concerns expressed on both sides of the House about the current shortfall in the British armed forces and the strains that that can place on the forces and their families.

The Government inherited armed forces that the previous Government had reduced by nearly a third, and they are making every effort to make up that shortfall through recruitment. I should be interested to hear what current commitments and interventions the Conservatives suggest we withdraw our forces from. I believe that developing a greater European defence capability will take some of the pressure off the British armed forces through greater commitment and action from our European partners.

I want to tackle some of the myths being propounded about a European peacekeeping force, the European security and defence identity and European defence

[Ms Rachel Squire]

capability. My understanding is that we are talking about a rapid reaction force, not a standing army; that the force would be convened by the agreement of all the countries involved within six to eight weeks; that it would be assembled only in times of agreed crisis and would therefore be very different from the current Franco-German Euro corps; and that the commitments would be made clearly within the framework of NATO.

It is time for us to act and to do what the Americans have long asked us to do: to deliver a greater European defence commitment to NATO and to European crisis intervention and peacekeeping, and to tackle the unacceptable situation that Kosovo highlighted and the unacceptable fact that, after five months' deployment, KFOR is only now reaching its full complement of 50,000 troops.

We all tend to focus on complaints and criticisms of the world as it is, but it is incumbent on us all to recognise the tremendous achievements of the past 50 years, including the establishment of the United Nations and its charter for human rights; the founding, operation and effectiveness of NATO and the role that it has played in the cold war and since the fall of the Berlin wall; and the formation of a European Union that, along with NATO, is seen by many countries as providing real hope of peace and prosperity for the millions of people in Europe whose experience throughout this century has been primarily of living in fear and with conflict. Our challenge must be to build on that.

I welcome the Government's commitment to modernising the United Nations and making the Security Council more effective and representative. Everyone agrees, and has agreed for some time, that reform is needed. I hope that one of the positive outcomes of Kosovo will be that it will act as a catalyst, and that the talking will stop and action will take its place. I join my right hon. and hon. Friends in wanting reform of the Security Council and discussion about the changes that are needed to the international law on intervention.

I very much welcome the lead that the Government have taken towards the establishment of a permanent international court and the fact that a Bill was announced in the Queen's Speech to ratify it. I hope that we will all use our contacts with colleagues in other Parliaments to encourage them to do the same. I hope that, in particular, the United States of America will be encouraged to sign up to and ratify an agreement on a permanent international court and—dare I say it—to pay its outstanding debt to the United Nations.

In connection with the attempts to develop an effective UN peacekeeping force, I also welcome the standby agreement that Britain has entered into, which earmarks forces that are prepared, in principle, to provide an emergency peacekeeping force. Other countries have already done likewise, and I hope that more will join them.

We have all recognised that, however effectively our armed forces have prepared, and however well they work together through partnership for peace, UN peacekeeping and other initiatives, it is politicians, whether on the UN Security Council, the EU Council of Ministers or in national Parliaments, who hold the key to choosing whether we have unity and inaction in the face of genocide, as was the case with Rwanda, or division and regional action, as was the case with Kosovo.

That leads me to the issue of the European security and defence identity and the common foreign and security policy. By developing an effective European defence capability, we will strengthen NATO, not weaken it. Why should we expect the United States to bear the brunt of dealing with the conflicts and ethnic tensions that have developed in Europe over decades, if not centuries? It is time for us to deliver more European defence capability and to make the ESDI a reality. There could not be a better time than now, as we move into the next century and recognise the shift of focus from common defence to collective intervention. Our military will need not only professional military skills, but—as the BBC series "Warriors" showed so effectively—the skills of diplomacy, law enforcement, building, engineering and humanitarian relief.

I welcome the suggestion that the time is right to consider a Europe-wide defence review and to bring together all the separate reviews that are taking place. We must promote greater co-ordination and co-operation, not the narrow nationalism and isolationism promoted by the shadow Defence Secretary in his recent speech to the US congressional committee on international relations.

I shall conclude by quoting the Secretary-General of NATO, who said:

> "ESDI does not mean 'less US'—it means more Europe, and hence a stronger NATO. Strengthening Europe's role in security is about re-balancing the transatlantic relationship in line with European and American interests."

Let us build on the partnerships developed in the past 50 years and ensure that, when we leave this century, we leave behind the millions of deaths that have occurred through conflicts and move into a peaceful and more prosperous future for all.

8.48 pm

Mr. David Chidgey (Eastleigh): I wish to draw out the aspects of the Gracious Speech on the ethical foreign policy and relate them to the control of instruments of torture. A few years ago, the Foreign Secretary told us, in reply to a written question, that the Government were

> "committed to preventing British companies from manufacturing, selling or procuring equipment designed primarily for torture".

He added that he would

> "take the necessary measures to prevent the export or the transhipment from the UK"

of, among other things, leg-irons, gang chains and shackles. He continued:

> "We are examining how to . . . ban the manufacture and possession"

of those items, and said that the Government

> "sought views on the extent to which any new legislation should seek to control trafficking . . . and brokering of such deals."—[*Official Report*, 28 July 1997; Vol. 299, c.65-66W.]

That was two years ago. Yet only last week, British-made leg-irons could be purchased openly in the United States and on the internet. It is a tale of two or perhaps three companies: the Hamburger Woollen company and the Hiatt-Thompson company, both of the United States, and the United Kingdom's Hiatt, of Birmingham.

The Hamburger Woollen company is a specialist in police equipment, and has been since 1940. It advertises for sale equipment supplied by Hiatt-Thompson, which claims to have been established in 1780, and specialises in nickel-plated steel heavy-duty leg-cuffs, with heavy-duty 14-in chains, and lead chains, belly chains, leg and handcuff connectors and chains. Those instruments of torture are distributed in America by Hiatt-Thompson.

Although Hiatt-Thompson is a separate company from Hiatt of Birmingham, it proudly claims to have been "simply the best since 1780"—the very year that Hiatt of Birmingham was established as

"makers of prisoner handcuffs, felons leg irons, gang chains and collars to the 'Trade'".

The House may be interested to know that the trade referred to was the slave trade.

When the company was challenged about the presence and provenance of those instruments which, although they are banned in Britain, clearly bear the imprint "made in Birmingham, UK", it said:

"These are old stock, made in the 1980s."

However, the New Jersey shop selling the leg-irons said that it had been received in a recent delivery. The leg-cuffs and chains were bright, shiny and seemingly new.

When Hiatt-Thompson, of the United States, was challenged on the manacles and chains, it claimed that they were made at its own premises, which turn out to be a warehouse that is barely the size of the average high-street shop.

Thus a British company seems to be manufacturing components of banned instruments and implements of torture—oversized cuffs and separate chains—which, subsequently, are assembled overseas. Moreover, the practice is perfectly legal under current legislation. Customs and Excise officers have seen components in packing cases, but are powerless to intervene in their export. According to the Government's own annual reports on strategic arms exports for 1997 and 1998, outsized handcuffs were exported at least to Egypt, Barbados and the United Arab Emirates.

It is, therefore, still legal in the United Kingdom to broker leg-irons, gang chains and shackles. It is still legal to make leg-irons, gang chains and shackles in the United Kingdom and to export them, provided that they are in component form. The only legal change since the Foreign Secretary's July 1997 statement has been the change in the wording of the Export of Goods (Control) Order 1994 to include electroshock equipment.

The House and the public are still waiting for the Government to introduce an effective ban on United Kingdom involvement in the manufacture, brokering and export of instruments of torture. Perhaps the Minister will take this opportunity to tell us that, at last, some progress is being made.

8.53 pm

Mr. Vernon Coaker (Gedling): I shall be very brief, as I know that the hon. Member for Mid–Worcestershire (Mr. Luff) wants to speak. The Government Whip has also promised me that, although I have only 10 minutes in which to speak and must hurry, he will not report that my speech was rushed or overlooked major issues.

Today's debate is on foreign and defence policy. It is often said that people are not particularly interested in that policy sphere, as it does not deal with bread-and-butter issues. However, today's debate—and the increasing amount of correspondence and number of surgery appointments with constituents who are concerned about foreign affairs and international matters reported on television—has demonstrated that foreign and defence matters are becoming increasingly important to our constituents. Young people, especially, recognise that global interdependence rules out isolation as an option. The way in which the Government have worked with international organisations in dealing with some of the difficulties confronting us has the general support of the population.

The Government's declaration that ethics is central to their foreign and defence policy is important. It is easy to scoff at the idea of an ethical defence or foreign policy. However, it is not particularly helpful to be 100 per cent. pure about such matters. In the real world there is an element of compromise and of trying to do one's best. Taking a cynical view of any political decision, and believing that only 100 per cent. will do, leads to an underestimation of the very real achievements of all Governments, whatever their political party.

I should like to highlight some of the Government's achievements since they came to power in 1997. Signing the Ottawa treaty and banning land mines was a major step forward. Our role in Kosovo, pursuing humanitarian goals and putting human rights centre stage, is something of which we can all be proud. We now have a code of conduct on arms control, and annual reports are produced about its effectiveness; we have made statements on the restoration of democracy in Pakistan and the importance of the Commonwealth; and we are looking to reform the European Union to make it a more effective organisation for good in the world.

I do not think that anyone has yet mentioned the nuclear safeguards Bill included in the Queen's Speech, which will put into law international agreements on nuclear proliferation. Indeed, the Government have controlled the number of nuclear warheads on Trident submarines.

We can also be proud of the role of British troops at the forefront of many peacekeeping operations and missions around the world. The way in which our armed forces operate is changing. We no longer live in a time of cold war; our troops will increasingly be sent to places such as Bosnia and Kosovo, as we saw recently, and perhaps, in future, they will be sent to Africa. Many hon. Members have mentioned the stress and strain that the new type of operation places on our troops. I ask my right hon. Friend the Secretary of State to listen to the real concerns about the pressures that the new role puts on our troops. Any change in the role of the armed forces must be considered.

Much has been said about human rights. Again, there are no absolutes. One could ask why the Government talked to China, Indonesia and certain African states and did not impose sanctions. To be fair, all Governments have to make a judgment about how best to promote human rights. One has to make a judgment about China. I think the Government were right to invite the Chinese Premier here, to try to influence him and promote human rights in discussions with him. Not to do that would not have helped the cause of human rights in Tibet or China. Again, it would be easy to take the purist line and say that the Government should not have entered discussions.

[Mr. Vernon Coaker]

I was pleased to see a mention in the Gracious Speech of the 10th anniversary of the United Nations convention on the rights of the child. I have the honour and privilege to be a parliamentary friend of the United Nations Children's Fund and have travelled with it to Kosovo, Macedonia and Montenegro. The convention sets important standards by which children should survive, grow and be protected. It offers a yardstick by which we should all be judged. The plight of children around the world moves us all, and we should use the convention and work with international organisations to make a real difference to the lives of those children.

It is easy to be cynical when we consider all the conflicts around the world. It is easy to feel despondent, and that nothing can be done. As the lines between civilians and combatants are blurred, cynicism becomes even easier. None the less, we must remain optimistic—or else we will merely sit around saying that nothing can be done. I urge the Government to continue to try to put ethics at the heart of their foreign and defence policies. They must continue to promote and encourage human rights. I urge them to work with the international organisations, and to try to modernise the European Union and the United Nations. Only through such organisations can we offer hope to people across the world who desperately need a new world order and a framework for development.

9.1 pm

Mr. Peter Luff (Mid–Worcestershire): I want to discuss two areas of foreign and defence policy where the Government seek credit but deserve blame: enlargement of the European Union and the handling of the Kosovo crisis.

I shall be briefer on enlargement than I might have hoped since I must contain my remarks within less than 10 minutes. The next historic function of the EU is its enlargement to the east. It is sad that the EU, the Commission and the Government talk the language of enlargement but engage in policies that make it more difficult. If the poorer, less developed economies of the former Soviet bloc are to become members of an enlarged EU, as we all hope will happen, we have a moral obligation not to erect huge barriers to their entry. High social costs, inflexible labour laws and the single currency are such barriers. At the very least, those barriers will make entry as painful as is humanly possible.

As Chairman of the Select Committee on Agriculture, I am painfully aware that the common agricultural policy is probably the biggest barrier of all to enlargement. Britain along with the Commission has been the strongest advocate of reform but, at Berlin, at the last moment, when our support was most crucial, we gave in, to coin a phrase, to the forces of conservatism. As the final session dragged on into the small hours, the Prime Minister gave in to the French president. His diplomatic and negotiating skills failed him, and that will cost the United Kingdom and Europe dear. That happened despite the pledge in the Gracious Speech that the Government

"will promote the enlargement of the Union".

The very next paragraph of the Queen's Speech discussed the future of NATO, saying that it

"remains the foundation of Britain's defence and security."

The speech referred to the need to adapt the alliance to meet the challenges of the new century and said that the Government would work to make the Security Council more effective. How can such claims be taken seriously against the backdrop of the Government's appalling mismanagement of the wretched Kosovo affair?

A myth is being established on the Labour Benches that the NATO intervention should be treated as a model to be followed elsewhere. It is not so. The myth must be challenged. The intervention in Kosovo should instead be treated as a textbook example of what not to do. I am no apologist for Milosevic and I have only praise for the achievement of our armed forces. Milosevic is an evil man who must be removed from power as soon as possible. Our armed forces performed magnificently.

As my hon. Friend the Member for Hertford and Stortford (Mr. Wells) has made clear, however, an interesting and important document entitled "Kosovo: Law and Diplomacy" by Mark Littman QC confirms that NATO's intervention in Kosovo was unlawful, unnecessary and unsuccessful. If his judgments are correct—*[Interruption.]* If the hon. Member for Dundee, West (Mr. Ross) can contain himself, I shall deal with that in a moment.

If Mr. Littman's judgments are correct, as I believe them to be, we must never again blunder into this kind of action out of a misguided sense that something must be done. As Littman puts it, respect for international law by countries such as ours is crucial. Without it,

"we would be back in the condition in which we were 100 years ago when all wars were lawful."

What message does NATO's flouting of international law send to other states whose behaviour we may want to criticise?

Could the crisis have been resolved by diplomacy? It seems that it could and should have been solved without the dropping of a single bomb. A negotiated peace was on the table at Rambouillet. As Littman said:

"At a critical point in the discussions at Rambouillet, NATO abandoned diplomacy in favour of a package of non-negotiable demands contained in a document described by Dr Kissinger as 'a terrible diplomatic document' as a 'provocation' and as 'an excuse to start bombing'."

The sad truth is that by 23 February this year, a statement issued by the office of the high representative for the Contact Group noted that the efforts of all the parties had

"led to a consensus on substantial autonomy for Kosovo, including on mechanisms for free and fair elections to democratic institutions, for the governance of Kosovo, for the protection of human rights and the rights of national communities, and for the establishment of a fair judicial system."

The statement continued by pointing out that the groundwork had been laid for

"the modalities of the invited international civilian and military presence in Kosovo."

Even at that most encouraging stage, it seems that the Government and NATO were prepared to wrench war from the jaws of peace by tabling aggressive, non-negotiable proposals for the military aspects of the agreement. Those terms were unreasonable, and NATO must have known that they would be rejected. Indeed, at the end of the bombing, NATO made precisely the type of concessions that it was not prepared even to discuss when the bombing began.

As the hon. Member for Tatton (Mr. Bell) made clear during his impressive speech, the bombing did not make things better for the ordinary people of Kosovo and Serbia. The ethnic cleansing accelerated as a direct response to the war; it continues to this day, although now it is Albanians who are ethnically cleansing Serbs. To say that is not to be an apologist for Milosevic, but to say that the UK's analysis should be sophisticated enough to work out the likely response of an evil man to provocation.

What is even worse is that the whole situation in the Balkans is now less stable than it was before the bombing, and much less stable than if negotiations had been allowed to run their course. Furthermore, the campaign played fast and loose with our relationship with Russia. The Kosovo Albanians now seek full independence. The risk must be that they will seek union with Albania, forming a greater Albania that could then express an interest—shall we say—in the Albanians of Macedonia. Quite what Greece will make of all that, I think we can safely predict. Only by maintaining a significant military presence in the region for the foreseeable future, can that be prevented—and perhaps not even then.

That leads to the question of cost. There is a cost to Britain's reputation; to the social, economic, environmental and cultural fabric of Kosovo and Serbia; and to the British taxpayer. That money could have been so much better spent by the Department for International Development; for example, in Orissa or dealing with the street children of Mongolia—whom I saw on a visit there in September.

We must remember that, previously, the west and NATO had declined to become involved in Sierra Leone, Sudan or Rwanda. The message that we conveyed to the world is that lives in Europe are worth more than those in Africa.

If the Government believe that they will make the Security Council more effective by ignoring it; that they will ensure that NATO remains the foundation of our defence by discrediting it; and that they can meet the challenges and opportunities of the new century by intervening ineptly in the Balkans, then woe betide us all. Woe betide the armed services especially, who—overstretched and undermanned as they are—look set to bear yet again the burden of the Government's incompetence, in some other, as yet unknown, theatre where the Prime Minister decides that something, no matter how illegal, inappropriate and counter-productive, must be done.

9.9 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): The debate has been lively. As it has not taken the usual form of a debate on the Gracious Speech, because it was split, with defence at the back end and foreign affairs at the front, I hope that the House will forgive me if I refer only to those Members who have spoken on defence; otherwise, we shall be here all night.

Many hon. Members made powerful comments and statements. Not least, the right hon. and learned Member for North-East Fife (Mr. Campbell), early in his speech, made a powerful reference to overstretch. I hope to discuss that subject shortly. He said that we were at the delicate point of trying to figure out whether things are doable within the budgets that have been set. I agree that there are considerable doubts about that.

My right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), in a contribution that was short by most standards but no less powerful for that, spoke about the European defence initiative—a subject that I shall discuss later. He made some very clear points about what Strobe Talbott said, to try to place some of the issues, and the way in which they are observed from the United States, in context.

My right hon. Friend the Member for East Devon (Sir P. Emery) spoke about the operations of the defence initiative within NATO, as did my hon. Friend the Member for Mid-Sussex (Mr. Soames), who spoke movingly about political correctness and the fact that, if allowed to travel too deeply into the psyche of the military, it will destroy their capability. My hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) also spoke about the defence initiative, and pointed out that it is heading outside NATO.

There were other speakers, too. I must mention the hon. Member for Dunfermline, West (Ms Squire), who referred to my comments in the United States. It is always good to have publicity. None the less, she did not agree with me, and I promise not to agree with her. On that basis, we can probably move on.

All in all, we have had a very good debate, as evidenced by many comments on foreign affairs, but those on defence went to the heart of some of the major problems that I wish to mention, such as overstretch, and the issues regarding the Government's policy on NATO and the European defence initiative.

I do not want to remember for long the experience of listening to the Foreign Secretary today. His speech was not especially good. He missed an opportunity to speak, in line with the Gracious Speech, about what the Government were going to do. Instead, he spent a huge chunk of his speech trying to guess what the Opposition might be doing. He sounded like a man whose greatest fear was the Opposition's return to power.

The Foreign Secretary made the accusation that, during the Kosovo saga, the Opposition had not supported early deployment into the surrounding region. *[Interruption.]* In the emergency debate on 11 February, the Opposition's position was made absolutely clear. My hon. Friend the Member for Salisbury (Mr. Key) said:

> "The Opposition support the Government in their attempts to find a peaceful solution to this protracted problem. We know that what the Secretary of State announced makes good military sense. It leaves many difficult issues for him and for us."—[*Official Report*, 11 February 1999; Vol. 325, c. 566.]

I hope that that puts the record straight, so that ludicrous comments are not made about what people are supposed to have said when clear statements were made at the Dispatch Box at the time.

The new Secretary of State for Defence is now in his place for the first time. This is the first opportunity that either of us has had to debate defence. Defence is probably the most important subject of all—the most important requirement for any Government is the defence of the realm—and we have had no big defence debates in the past six or seven months. We lost two days of defence debates at the end of the last parliamentary Session. Apparently, we had time to discuss vellum, but not time to discuss the defence of the realm. I condemn the Government for that.

We also had no defence estimates, which are usually produced during the year. There has been no White Paper. We are still trying to figure out where the Government

[Mr. Iain Duncan Smith]

are going. Perhaps we do not have a White Paper because the Government have not figured out where they are going, either. Yet, since the last Queen's Speech, our forces have been in new operations in the Gulf, in Kosovo and in East Timor, to mention but three locations. I hope that all hon. Members would agree that we owe our service men, not just in those operations but around the globe, a huge debt of gratitude for the dedication and professionalism with which they carry out their duties. I say that, not just as a politician, but as someone who, previously, in active service positions, had to do politicians' bidding. I know that service men cherish the support that they receive from politicians. I am sure that the House will join me in giving that support.

I do not want to dwell on what has happened in the past, but the House must consider carefully the strategic defence review, the underlying assumptions that were made when it was introduced and how and on what basis it is constructed. It goes without saying that two of my predecessors made the areas on which we agree—particularly the emphasis on power projection—quite clear. I do not intend to go into detail on that now, because that would simply be to repeat what my predecessors said.

The Secretary of State for Defence appeared to confirm in a recent GMTV interview that the assumptions made by his predecessor about the forecast level of commitments have not been borne out. Therefore, the whole basis on which the defence review was carried out when the Government took office has now collapsed. The problems associated with overstretch have created a crisis. The Government inherited a position that was, in itself, unsustainable, as my hon. Friend the Member for Mid–Sussex said in his excellent speech, but they have turned a difficult position into a crisis. Changing the proportion of men on active service from 28 to 47 per cent. will create nothing less than that. Even their current efforts—laudable, it must be said—to reduce overstretch will not make it possible for our forces to sustain operations for a lengthy period.

The problem is not just about commitments. The Government have met some success with their recruiting initiatives, but retention remains singularly the biggest problem. The armed forces are losing far too many experienced people. Simply replacing them with inexperienced recruits will not help the problem; it will remain just as bad. Each month, we have a net loss of 100 men from the Army, which is the equivalent of two battalions a year. The armed forces face an internal crisis with their most experienced and best men and women leaving; their replacements will not make up the skills gap.

Part of the problem lies with the basis on which the strategic defence review was conceived. As my hon. Friend the Member for Mid–Sussex pointed out, the Government did not enter the review with an open mind. They entered the review process with the Treasury sitting on their shoulder and looking for a significant saving in the defence budget. At the last election, the Conservative Government made it absolutely clear that, if we were re-elected, we would ensure a period of stability and calm for the armed forces. There were no cuts laid down in our figures and we would have seen the armed forces through the changes that had already been made.

The Government came in and initiated the strategic defence review. In essence, they have allowed for savings each year of £685 million from 2001-02. That has put huge pressures on the Army alone. As we have discovered, 18,000 men have been axed from the Territorial Army and many more will find their jobs in jeopardy. However, it is increasingly evident from the figures that the £685 million saving is frankly an optimistic assumption. In reality, in the coming years, even deeper cuts are likely to be imposed on the defence budget.

The Treasury will take—it has already got its hands on it—a real cut of nearly £1 billion in 2001. It will get its £1 billion regardless of what the Ministry of Defence does and any savings that it makes.

Mr. Soames: Does my hon. Friend agree that the position is, in fact, worse than that? It is a saving not just of £600 million, but of £600 million plus 3 per cent. efficiency savings per annum, and those savings are not takeable.

Mr. Duncan Smith: That is exactly the point that I am making. The Treasury has already got its hands on nearly £1 billion of savings a year. The Government put forward the figure of £600 million as the net saving, but, to achieve that net figure, savings have to be made through efficiency and on the procurement process, and the forces will have to make significant asset sales.

I shall deal first with asset sales, to which my hon. Friend the Member for Mid–Sussex refers. The Public Accounts Committee has already warned the Department that it is selling off its assets far too slowly to meet its targets. The Chairman of that Committee, my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) said:

> "The financial contribution underpins operational planning. It must be realised or operational ability will be impaired".

In its inquiry into the strategic defence review, the Defence Committee said that

> "we remain to be convinced of the realism"

of the projected levels of receipts from asset sales. The Government have published no figures on that. We have no idea how those sales are meant to proceed or whether they are achieving their targets, but we have a serious sense that there is something wrong with the estimates that were made.

Furthermore, the House of Commons Library points out that the previous Government set themselves targets on asset sales, but the problem was that they achieved those in double the time in which they had originally planned to make the savings. At least, therefore, the Government may be facing the serious problem that they may not even make the savings on time, and that in turn creates other problems.

Ms Squire: I have the statistics that I believe that the hon. Gentleman quoted in his speech to the UN congressional committee. They reveal that the proportion of the United Kingdom's gross domestic product spent on defence was 5.2 per cent. in 1985 and had been reduced

to 2.8 per cent. in 1997, which represents a cut of nearly 50 per cent. under his Government. Would he like to explain that to the House?

Mr. Duncan Smith: I know that it is easier for Labour Members to discuss what went on before the election because what they are doing now is so bad. The hon. Lady may really think that that cut was too great, but why are this Government cutting the figure even further? The figure that I quoted will be reduced dramatically by her Government's actions under the strategic defence review. That all adds up, but maybe she failed her maths.

I know that the right hon. and learned Member for North–East Fife was, in part, referring to the smart procurement programme. That programme concerns the way the Government will make significant savings that will allow them to make the net budget saving of some £600 million. Notwithstanding the optimism about that programme expressed by the Minister for the Armed Forces early in the summer, we later saw the premature move of a senior general who said that the planned defence savings from the smart procurement initiative would not be made on time.

We were promised that smart procurement would generate up to £2 billion in savings, whereas Lieutenant-General Sir Edmund Burton, a Deputy Chief of the Defence Staff, was reported as saying that achieving the savings had proved to be a slow process. He is believed to have told civil servants that the big savings envisaged on the timings that were given were simply not possible. What was the Government's response? He found himself moving to another job rather sooner than he had anticipated. The sign of a Government in difficulty is that they try to deal with the messenger but do not deal with the message. The Government will be put under pressure by the costs that they must face up to because they will not make the necessary savings.

We may be facing a cut to the MOD's annual budget that is much greater than anticipated. Those savings are vital. As I said, the Treasury will be happy whatever happens because it has the money. The real point is how that cut, if it is worse even than the Government's official figure, will affect service families.

We know, for example, that far too many service families are living in sub-standard accommodation. I understand that some 30,000 MOD homes are now classed as sub-standard. There was to be an extensive refurbishment programme, but we now learn that the likelihood of its going ahead is about zero. The programme is about to be scrapped, and it appears that the reason may be money. Whether or not that is the case, the refurbishment programme for those homes was left in place by the previous Government; it has already begun to slip, and there is a question about whether it will go ahead at all.

The Sunday papers contained quotes from internal briefing papers produced by Vice-Admiral Sir Jeremy Blackham. He said that the ambitious plans in the SDR and its supporting essays were in danger of coming to grief for want of resources, and concluded that, unless more resources were forthcoming, any pretence that we are putting people at the heart of our policy and that we have turned over a new leaf must be abandoned. The real issue is how the policy effects families.

In less than 18 months after the review set the financial position in stone, how can the MOD be having huge difficulty finding the money to sort out accommodation? That is a critical element of a policy for people.

The Minister for the Armed Forces (Mr. John Spellar): What about your policy of sales?

Mr. Duncan Smith: Our policy had at its heart the refurbishment of the homes that this Government are going to curtail.

I discovered that, in Hohne, the German Government have refurbished a block of flats to house refugees. Our service men are now living in the next-door block in accommodation that is below the standard of that provided for the refugees. I have mentioned the problem of retention. When service men and women find the quality of their family life falling and falling, they can hardly be encouraged to remain in the armed forces.

There are other programmes, too. We are still waiting to discover when the Government will buy the short-term strategic heavy lift package that was originally anticipated. That seems to have been shelved.

Probably the single most desperate decision in the strategic defence review was to slash the Territorial Army by some 18,000 men. It goes without saying that those in the TA are bewildered. During a Remembrance day service the other day, they told me that they had never been in more need, that their signalmen are serving in Bosnia and Kosovo, and that some signal regiments could not meet at weekends because their equipment is being used by the Regulars in Kosovo and Bosnia. Some of the TA are needed in Kosovo and Bosnia, and are welcome out there with the Regulars. Yet, the Government seem to be making up policy on the TA as they go along. First, they cut the numbers. Then, before the ink has dried on the paper, they say that they might have to change the entire strategy behind the TA and perhaps deploy it as units due to problems of overstretch.

Then, with the armed forces under pressure and our service men and women spending less and less time with their families, what does our Foreign Secretary do? He signs a memorandum of understanding with the United Nations that says, "Don't worry because, ultimately, we can produce any level of armed forces that you require." It is a wonderful document. It says all sorts of things about units on 10 days' notice, naval logistic support, amphibious platforms and aircraft carriers—it goes on.

In a note at the bottom, the memorandum even says that only 10 days' notice is required for three strategic air transport heavy lift aircraft, yet we have not even bought them. That is the absurdity of what the Government are about. It is no wonder that the armed forces ask, "What is this all about?" It is no good the Government saying that such a document is a wish list because they have given an undertaking to the United Nations.

We have the ridiculous spectacle of the Government playing political games. They are saving money and putting pressure on our armed forces, yet, for political reasons, they take decisions that cost money. For example, the refit of HMS Spartan was condemned by the Defence Committee as not representing value for money, but the work went ahead—only two or three years before it will be taken out of service. In whose constituency did it

[Mr. Duncan Smith]

happen to be refitted? The Chancellor of the Exchequer just happened to get the project. Then, there was the transfer of the Army headquarters from York.

Ms Squire: On a point of order, Mr. Deputy Speaker. I should like to correct the hon. Gentleman. The fact is—

Mr. Deputy Speaker: Order. The hon. Lady must know by now that that is not a point of order.

Mr. Duncan Smith: Through a boundary change, the Government managed to please both the Chancellor and a Labour Back Bencher and I am sure that that suits them very well.

Ms Squire: Will the hon. Gentleman give way?

Mr. Duncan Smith: No, I am not giving way.

The hon. Member for City of York (Mr. Bayley), now the Under–Secretary of State for Social Security, received an assurance about the transfer of Army headquarters all the way to Edinburgh. He was told by the Prime Minister that it was all about cost effectiveness and military expediency. However, a document written for the Government by Colonel Curran Snagge reveals that operational efficiency and cost effectiveness were not behind the move. In fact, we know that it was about helping the Government to fight the Scottish National party up in Scotland before the last election. For that, the Government used our service men and women and transferred them up to Scotland.

The biggest political nightmare that the Government have created is in Europe. I come to that subject at the end of my speech because it shows the nature of the Government: they care nothing about the armed forces, other than as a tool to further their own political ambitions. As my right hon. and learned Friend the Member for Folkestone and Hythe said, at the 1997 Amsterdam summit the Prime Minister said that Europe's defence should remain a matter for NATO, not the EU. That was apparently the Government's view until October 1998, when the Prime Minister made it clear that he was prepared to drop those long-standing objections.

At St. Malo and Cologne, the Government joined their European partners in moves to establish European military structures outside the NATO framework. There can be no doubt that there is a strong trend in Europe to create an independent EU defence capability as part of the drive towards a European superstate. Mr. Chirac said:

"European Union cannot fully exist until it possesses autonomous capacity for action in the area of defence".

At the time of St. Malo, even though the Government told the Americans not to worry because European defence would not go outside NATO, German Foreign Minister Joschka Fischer said:

"the development of the European security and defence identity, another pillar of the process of European unification."

That is the reality. We hear the Government's soft words, but others believe that there is a different agenda.

The evidence is clear. All the processes that were bound in at Cologne have given a voice to those who would have NATO divided and broken. The Government have said one thing and done another: they started out saying that they loved the pound and believed in a defence policy based on NATO; yet, within two years, they have reversed both of those key policies. It is ridiculous for the Government to pretend that their current policy will strengthen NATO, when in fact it will weaken it. The worst part is that they have succeeded in giving power to those in Europe who would break NATO and those in America who would see their country isolated. That is the result of Government policy.

In conclusion, as I have made clear, our armed forces are in crisis, facing huge pressures and massive cuts. Troops do not know when they will next see their family, or how they are to combine both operational duties and family life. The promised savings are nothing but a wish list—in all probability, they do not exist. Finally, there is a serious problem with the Government; the Foreign Secretary, and the Secretary of State for Defence, set out on a policy that will ultimately divide NATO.

The epitaph on the Government at the next election will be that they never, ever told the truth, but saw politics first and defence second. The Government will break NATO and break our defence forces before they are finished.

9.34 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): I am grateful to have the opportunity to come before the House this evening to make my first speech as Secretary of State for Defence. I have listened with great interest to the various contributions of right hon. and hon. Members from both sides of the House during today's debate.

The Government are engaged in carrying out the ambitious and radical plans that my predecessor set out last year in the strategic defence review. It is a significant modernisation that affects every aspect of the armed forces as well as those who support them. It is not a quick fix for financial or political reasons, nor is it change for change's sake. It is a far-reaching programme of modernisation that is designed to improve our ability to carry out operations successfully. That is, of course, the test by which everything we do will be judged.

At the same time, we have been committed to operations as never before. Earlier this year we were heavily involved in Kosovo. I look forward next year to reporting to the House on the results of the various studies currently under way into the lessons that we can learn from that campaign.

Mr. Dalyell: Will my right hon. Friend give way?

Mr. Hoon: If my hon. Friend will allow me to make a little more progress, I shall give way to him.

The right hon. and learned Member for North–East Fife (Mr. Campbell) raised the question of the defence White Paper, which I hope will be published before Christmas.

I wish to pay tribute to George Robertson, who carried out his duties as Defence Secretary during a difficult time with great authority, clarity of purpose and unswerving commitment to the achievement of a successful outcome. Members who have read the account that he published in October setting out the background to the conflict will realise the extent of what was achieved under his

leadership. As my hon. Friend the Member for Dunfermline, West (Ms Squire) said, he is now in a role where he can continue to contribute to these enormously important matters. I am sure that the House joins me in wishing him well.

A number of right hon. and hon. Members have concentrated on European defence. It is important that the House understand what we are proposing, and crucially what we are not proposing. We are not proposing a European army. We are not proposing a standing force with a European badge under European command and exclusively earmarked for tasks agreed within the European Union. That has never been part of our thinking. Only national Governments and national Parliaments have the right to take decisions on how and where national armed forces are deployed. Moreover, we have no intention of carving up security tasks between the European Union and NATO. That would break the link between Europe and north America which is at the heart of the NATO alliance.

We are proposing that European forces—the forces of fully sovereign nation states acting in co-operation—should make a greater contribution to NATO, and that we should be in a position, where NATO as a whole is not engaged, to carry out European crisis management operations, drawing on NATO's assets and capabilities when necessary. What was set out at St. Malo was the need for Europe to make its voice heard in world affairs while contributing to the vitality of a modernised Atlantic alliance.

Mr. Soames: Will the right hon. Gentleman tell me how in particular the structure that he describes will be different from the already extremely efficient and effective structure of the Allied Command Europe Rapid Reaction Corps, which has done very well on the past two occasions it has been called upon?

Mr. Hoon: I can deal with that when I deal with the institutional matters in a moment.

The Kosovo campaign brought home to us clearly the limits of our existing capability. Our airmen performed with their customary skill and bravery. But the United States provided most of the aircraft and flew most of the missions. On the ground, too, while more than 40 per cent. of the force that first entered Kosovo was British, Europe as a whole was hard pressed to deploy a force amounting to only about 2 per cent. of the 2.5 million troops theoretically available on paper. A number of hon. Members have emphasised that point.

Mr. Dalyell: Will my right hon. Friend give way?

Mr. Hoon: In a moment.

We have found that, with all too few exceptions, Europe's armed forces are still structured to meet the predictable requirements of the cold war rather than the complex challenges of the next century. They are hampered by their reliance on national fixed infrastructure, when their forces need instead to be sustainable for long periods in a range of different theatres of operations. In short, they need to be more flexible. It was clear to us even before Kosovo that fundamental change was necessary. We needed to enhance our capability to decide, and enhance our capability to act.

Our ambition is that the European nations should be able to make foreign and security policy decisions underpinned by credible military capability, and that they should be able to take control of European crisis management operations. To do this, we need new machinery that supports competent defence decision making inside the European Union.

Mr. Dalyell: The British Army went to war, supposedly, to stop ethnic cleansing. How is it that, as we understand it, 40,000 NATO troops are palpably unable to stop the most brutal ethnic cleansing of the Serbs and the destruction of 70 of their monasteries? Is it true, as I previously asked, that only the Irish Guards do night patrol?

Mr. Hoon: I am sorry, but I do not recognise the picture portrayed by my hon. Friend. I was in Kosovo in August and I have examined, for example, the crime rates and particularly the murder rates, which have been steadily falling since that time. The murder rate in Kosovo and particularly in Pristina is lower than in certain European capitals, so I do not recognise the picture that my hon. Friend describes.

I return to the structures for decision making and defence in the European Union. At Berlin in 1996, the North Atlantic Council said that European allies should

"make a more coherent and effective contribution to the mission and activities of the Alliance as an expression of our shared responsibilities; to act themselves as required and reinforce the trans-Atlantic partnership."

The alliance further endorsed the concept, and the need to strengthen Europe's contribution, at the Washington summit in April this year.

We have heard a great deal of what I can describe only as alarmist nonsense from the Opposition on the subject of European defence. If they are right that the European security and defence identity threatens the very existence of NATO, why did all 19 members of NATO, including the United States, sign a statement at the Washington summit welcoming it?

If the European security and defence identity threatens the very existence of NATO, why did the US deputy Secretary of State, Strobe Talbott, say in his speech at Chatham house on 7 October that

"the US is for ESDI. It's in our interest for Europe to be able to deal effectively with challenges for European security"?

I was grateful for what was described as the fair reading of that speech by the right hon. and learned Member for North–East Fife. I have tried hard to put on it the construction for which the hon. Member for Stratford–on–Avon (Mr. Maples) and the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) argued, but so far the phrase

"the US is for ESDI"

defies any interpretation other than the obvious one.

Mr. Howard: As I pointed out to the Secretary of State earlier, the speech that Mr. Talbott made drew a distinction between what had been said at Washington and what was said at Cologne. Cologne came after Washington, and what Strobe Talbott said in his speech was that the signals that came out from St. Malo and the signals that came out from Cologne were different from the signals that came out from Washington and Berlin.

[Mr. Howard]

Why does the Secretary of State fail to recognise that glaring concern, which is deeply felt on both sides of the Atlantic?

Mr. Hoon: Because senior representatives of the United States Administration continue to make fairly basic statements, such as

"The US is for ESDI".

It was the previous Conservative Government who signed up to the idea of a European security and defence identity—*[Interruption.]* That was at Berlin in 1996.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We cannot have hon. Gentlemen shouting across the Chamber. It has been a quiet night up till now, so let us continue to have one.

Mr. Hoon: No prizes for guessing who was Defence Secretary at the time.

Hon. Members have kept shouting from a sedentary position that that refers to NATO, not the EU. They should remember what they signed up to in the Maastricht treaty. They called for the framing of a common defence policy in the context of the European Union. Right hon. and hon. Members who were part of the Government who signed up for that should remember what they were doing.

Mr. Duncan Smith: If what the Secretary of State says was so critical to the formation of policy subsequently, why did the Prime Minister come back from Amsterdam crowing about the fact that he had stopped the plans to wind the Western European Union into the European Union, only to allow that to happen at Cologne?

Mr. Hoon: We clearly recognised the need for Europe to play a more effective part even before the full lessons of Kosovo had been learned. We accepted and have continued to argue for a proposal that the Conservative Government set out when they agreed to frame European defence policy in the context of the European Union.

Mr. Maples: Do your homework.

Mr. Hoon: The hon. Gentleman tells me to do my homework, but the policy is established in a European Union treaty, which the previous Government signed. I am sorry to have to make my point so comprehensively, but if the Conservative party opposes the European Union having an autonomous defence capability, why did Chris Patten, the former Conservative party chairman, say in a submission to the European Parliament:

"What we need are credible military forces that can be brought together quickly and in a flexible manner which would allow the European Union to initiate autonomous operations while avoiding duplication of effort within NATO"?

The Cologne European Council in June began the process of building necessary structures in the European Union. We shall take further steps at the Helsinki European Council in December. Last week, Defence Ministers from European Union member states met for the first time alongside Foreign Ministers in the European Union's General Affairs Council to discuss plans for European defence arrangements. We are beginning to establish the defence culture that will be needed to allow Europe to fulfil its security and defence responsibilities.

It is not simply a matter of organisational structures, however. As my predecessor was rightly fond of pointing out, it is not much good deploying a wiring diagram in a crisis. It is important that we should have at our disposal forces of the right quality and in the right quantity. Much of the responsibility for reform lies with individual nations. However, the United Kingdom and Italy have launched an initiative, which will result in establishing concrete performance goals for improved and strengthened Europe-wide and national defence capabilities.

Again, we look for progress at Helsinki. We want member states to commit themselves to deploying forces in sufficient numbers, with the right skills and equipment, in time to make a difference and to sustain them in theatre until their job is done.

Sir Peter Emery: The Secretary of State makes a great point of saying that the Americans are happy about what is happening. However, only last week in Amsterdam, 12 Members of Congress from both the Republican and Democrat parties made it clear that they were worried about their role if Western European Union became part of the European Union. Lord Robertson spoke and made it clear that many worries had to be tackled when dealing with the seven nations that are not part of the European Union. What are the Government doing about that?

Mr. Hoon: The United States is a vigorous democracy. I do not pretend that the right hon. Gentleman will not find Members of Congress who have doubts and anxieties. A wide range of opinions is expressed on the Hill in Washington. Sadly, some of those opinions are stirred up by the scaremongering of the shadow Secretary of State for Defence. Nevertheless, the United States Administration have made it clear that they support ESDI. I have quoted the views of a senior member of that Administration.

In a national context, we have also continued to improve the way in which our forces work with each other. We have formed a joint helicopter command and a new air assault brigade; we have established the joint nuclear, biological and chemical defence regiment, and set up a joint doctrine centre. Those are key steps in implementing the strategic defence review.

Of course, the SDR was not just about the purely operational front. It also aimed to bring about a step change in the way in which we organise ourselves, and in the efficiency with which we acquire and support equipment. To that end, we have launched the new Defence Procurement Agency and set up a new logistics organisation.

In addition, we are committed in Bosnia and the Gulf, as well as in Kosovo, East Timor and elsewhere. I make no apologies for British forces being committed in that way. There is crucial work to be done to safeguard our interests, and to make the world a safer place. We must be involved in that work. We should be proud that we are able to do that. We cannot stand idly by in the face of the appalling behaviour of Slobodan Milosovic and Saddam Hussein.

I commend to the House the excellent work of the Indict campaign led by my hon. Friend the Member for Cynon Valley (Ann Clwyd), about which she spoke so well.

Those Conservative Members who suggested that we are overcommitted and have been involved in too many operations must answer a simple question: which operation or operations should we have refused? Until they can answer that basic question, they cannot complain about our levels of commitment. Our armed forces have responded magnificently to all that we have asked of them. We might have preferred to ask less, but we have had no choice about being involved. Our armed forces recognise that, and it is unfortunate that too many Opposition Members fail to do the same.

Mr. Tom King: I am not sure whether that last remark was meant to be offensive to the House and those of us who care very much about the armed forces. The right hon. Gentleman has to understand that the armed forces always will respond magnificently to any charge and request made of them, but the House, some of us who have knowledge of the armed forces, some of us who have served in the armed forces and some of us who have friends who are still serving know that we are on the edge of a precipice. I understand that the right hon. Gentleman has only recently taken over this tough responsibility, but the armed forces will not be able to respond—or they will respond in an untrained, ill-equipped, inadequate manner and we will put people in harm's way because they will not be able to cope with the challenges that they face—unless he shows that he understands how difficult the problem of overstretch is.

Mr. Hoon: I was about to deal with overstretch. I certainly was not being offensive to the right hon. Gentleman, but Conservative Members have questioned the commitments in which the British armed forces are engaged. Unless those Members—I am not referring to him—can say which commitments we should not be involved with, they are simply making a rhetorical flourish and are hardly deserving of concern.

I have consistently acknowledged that overstretch is a problem—I listened carefully to the speeches of the right hon. Member for Bridgwater (Mr. King) and the hon. Member for Mid-Sussex (Mr. Soames)—which is why the Government are prepared to take the tough decisions needed to reduce those commitments. We do not need lectures on overstretch from a party that left the Army 5,000 under strength in the first place and cut the defence budget by a third when in power. We are addressing overstretch by reducing deployed force levels wherever we can, consistent with security and our international obligations. In Bosnia, our force levels will go down from more than 4,000 now to about 3,300 by the end of the year. In Kosovo, we have recently announced changes that will bring home more than 1,000 people over the next few months, and we have reduced our force levels in the Gulf from a peak of 3,000 to 1,200.

All those measures are significant in respect of returning our men and women to more stable patterns of service and family life, and I entirely agree with the warm tribute paid by the hon. Member for Mid-Sussex to the tremendous contribution made by service families; but I again counter the scaremongering by the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith): the refurbishment of service homes will go ahead. We have looked hard at the conditions of service of those who are deployed and have introduced a number of significant improvements, including a fourfold increase in the time for telephoning home and better arrangements for leave on return from operations. All that will help to reduce the demands on our people and the stresses and strains that they face.

There has been some misleading talk lately about the nature of overstretch. Recruiting to all three services is satisfactory and that to Army is at its highest level for nine years. It was sometimes said that it was difficult to recruit to the armed forces when the economy was doing well, but we now have a healthy economy as well as healthy service recruiting. That can only be because people's image of our activities is, quite rightly, attractive and positive. At the same time, rates of retention, particularly in the Army, have been disappointing. The armed forces, by comparison with other careers, rely on people serving for comparatively brief periods, so there must always be a throughput. However, more people are leaving earlier than we would wish. We are already addressing that issue and are beginning to see signs of improvement.

There has been much misleading talk also about our reserve forces. We are absolutely committed to having high-quality reserves that are useful and used. The point is not what size the reserves are on paper, as so many Conservative Members seem to believe, but the punch that they can deliver and our ability and willingness to deploy them in support of our operational objectives. We have seen reservists playing a full role in former Yugoslavia, where up to 10 per cent. of our deployed forces are from the reserves. We have improved our call-out arrangements and are looking hard at deployability. In that, as in all other matters, we will be judged on our ability to deliver operational capability where it is needed. The reserves will play a big part in that.

Conservative Members say that they want to return the Territorial Army to its former role; in other words, they want to take the TA backwards, not forwards. They want to restore the old role of the TA in defending the United Kingdom against a Soviet invasion. We want to give the TA a new, much more significant role as a fully integrated part of the regular Army, in Bosnia, in Kosovo or elsewhere.

In regard to numbers, the Conservative party says that it wants to restore the TA to its pre-SDR establishment. Even the Conservative Government did not do that: just as they left the regular Army undermanned, they left the TA undermanned.

Dr. Julian Lewis *rose—*

Mr. Duncan Smith *rose—*

Mr. Hoon: I will not give way.

I have mentioned a range of deployments. It is important for us not to forget that we are deployed here in the United Kingdom as well. We still have 15,000 troops in Northern Ireland, and I am confident that the House will join me in paying tribute to their work.

Earlier today, my right hon. Friend the Secretary of State for Northern Ireland made a statement to the House about political progress in Northern Ireland, and I join

[Mr. Hoon]

him in wishing the process well. As he said, the security situation in the Province has been transformed since the Good Friday agreement. We will, of course, watch developments closely, but our forces will remain at the level required to preserve the peace, and to support the civil powers in maintaining law and order.

So far, I have described our participation in operations. We are always able and willing to act with great force when that is necessary, as we have shown again this year; but across the world the wide-ranging abilities and experience of the armed forces are being put to good use to promote security and stability in other ways.

We are actively engaged in helping to restructure armed forces around the world in ways that allow them to play their full part as a component of a democratic society. That is what we mean by defence diplomacy. We are well placed to do that work: the professionalism of our people is rightly held in the highest regard. Our work will complement the excellent work of the Westminster Foundation for Democracy, described by my hon. Friend the Member for Dundee, West (Mr. Ross).

We are expanding our outreach programme of bilateral co-operation and assistance. For example, following the return to civilian rule in Nigeria and Sierra Leone, we are actively engaged—along with the Foreign Office and the Department for International Development—in reforming the security communities in both countries. In the United Kingdom, we launched a defence diplomacy scholarship scheme last month to help overseas officers and officials to develop the skills needed to lead and operate democratically accountable armed forces.

This is an enormously exciting time to be involved in such activities. The revitalisation of international organisations, and the greater willingness of many countries to play a part, mean that when crises occur the international community can act swiftly and decisively to halt aggression, to maintain or restore peace or to deal with human suffering. We are fully engaged not just in participation in such operations, but in developing the institutional framework that will ensure that we never return to global confrontation.

Let me make clear what a privilege it is to work alongside the men and women of the armed forces, and the men and women who support them. I know that the whole House will join me in recording its appreciation of their skill and courage, their talents and abilities and the support given to them by their families. As we look to the future, they are our greatest asset.

Debate adjourned.—*[Mr. Pope.]*

Debate to be resumed tomorrow.

COMMITTEE OF SELECTION

Mr. Deputy Speaker (Mr. Michael J. Martin): With permission, I shall put together the motions relating to Committees.

Ordered,

Social Security Committee

That Miss Julie Kirkbride be discharged from the Social Security Committee and Mr. Laurence Robertson be added to the Committee.

Treasury Committee

That Dr. Vincent Cable be discharged from the Treasury Committee and Mr. Edward Davey be added to the Committee.—*[Mr. McWilliam, on behalf of the Committee of Selection.]*

Chechen Hostage Victims

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

9.58 pm

Mr. Paul Keetch (Hereford): On 8 December last year, the remains of three British subjects—Mr. Peter Kennedy, Mr. Rudolph Petschi and Mr. Darren Hickey—along with those of a New Zealander, Mr. Stanley Shaw, were found on the roadside in Chechnya. The four had been kidnapped in Grozny, the Chechen capital, on 3 October that year, and held in unspeakable horror. The four men had been starved, regularly beaten, and then one night woken from their sleep, kicked, beaten about the head, taken outside and beheaded. Their end was videoed. I am sure that the House will want to extend its condolences to their families. Chechnya is still in our thoughts, but, as was mentioned in the previous debate, the events there which relate to our country are still very much in the thoughts of those families.

I shall concentrate on one of those hostages, Mr. Peter Kennedy.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McNulty.]*

Mr. Keetch: Mr. Kennedy lived in Herefordshire. I shall discuss the reasons why he went to Chechnya, the conditions that he expected, the reasons why his stay was so long delayed and what happened after he was kidnapped and eventually murdered.

On 9 December, the then Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd), answered my private notice question. He said in the presence of the Prime Minister that a company called Granger Telecom

"communicated with those responsible for taking the hostages".

He also said:

"Granger Telecom took the lead on the ground"—*[Official Report,* 9 December 1998; Vol. 322, c. 322-4.]—

during the negotiations, but my constituent, Mr. Peter Kennedy, was not working for Granger Telecom, as I believed during that debate. He was working as a self-employed sub-contractor for one of Britain's largest companies, British Telecom. It is BT's involvement in this tragic affair that I wish to highlight.

On 9 July 1998, Granger Telecom wrote to our ambassador in Moscow asking for support in installing a mobile phone network in Chechnya, but it stated in the letter that, although it could provide the internal system, it could not link that system to the outside world. That had to be part of a separate contract—an international gateway. It was BT that, against stiff competition from Deutsche Telekom, finally won the contract.

The Government were aware from July that BT was involved. They were told again of BT's involvement at a meeting with Granger Telecom in September and told later that month that a BT engineer would have to travel to Chechnya. The first question is: why at no stage during the private notice question debate was BT's involvement not stated by the Government?

I can understand why BT wanted to keep its involvement in the affair quiet. It understood the risk of Chechnya. When it bid for and won the contract, it knew that two British aid workers, Camilla Carr and John James, by some tragic chance also constituents of mine, were being held in Chechnya.

BT nationally had what it described as an on-going relationship with Control Risks, a leading international security company. BT had already decided that it did not want to send one of its own staff to Chechnya. Indeed, it tried to train Granger Telecom staff to install the link instead, but to no avail. Therefore, BT nationally, a company that recently announced profits of £105 per second, decided to pass the decision of how to install the international link to its satellite station at Madley in Herefordshire in my constituency.

After being advised not to sent its own staff, BT in Herefordshire was asked to find someone else. Enter Mr. Peter Kennedy, a former member of staff who had taken early retirement from BT some years earlier. The staff at Madley in Herefordshire were as disturbed as anyone at what subsequently happened. They knew Peter and, in giving him that job, they thought that they were doing him a favour.

Peter had done some work overseas before. He had been to Russia on several occasions. He was approached to do the work. He was told that it would take just four days and he was offered £350 a day, plus expenses, to do it. When he was told that he would get a bodyguard, he joked about it to friends and to his wife. He thought that he was going back to Russia.

On 22 August, Peter Kennedy agreed to go, but I believe that he never knew the full risk that he was taking. I believe that he was not told exactly what the Foreign Office had told Granger Telecom, what Granger Telecom had told BT and what BT knew from its sources. That information was never passed down. One e-mail that was sent to him before he left said:

"They say it is safe enough, but very boring".

Another e-mail that was recovered from Peter Kennedy's computer after he died and had been sent for him to read when he returned said:

"just a bit of info as to what was going on whilst you were sunning yourself in Grozny."

I have spoken to senior managers and ex-managers at Madley, who tell me privately that BT nationally never told them about the risks that Kennedy was taking. We must ensure that if our major companies send their staff—employed directly or indirectly—overseas, they fulfil their responsibility to pass on Foreign Office advice, particularly if people are being sent to a dangerous place. If they then choose to go, fair enough, but Peter Kennedy's ex-colleagues, his widow, his daughter and I firmly believe that he never understood the dangers, in which case it was wrong for him to go.

When Peter Kennedy arrived in Grozny, things began to go very wrong. He was not able to begin the installation immediately. Instead, there was a dispute as to the exact location where he was to install the satellite equipment. Should it be on the building of Granger Telecom, as he originally believed, or should it be on a hill? When that was decided, he had to prepare a base on the side of a hill to install the equipment. There then followed another dispute with Chechen television, which was worried about the potential interference as a result of the installation.

[Mr. Keetch]

Finally, Mr. Kennedy completed the installation, not after four days, as he originally believed, but after 10. His final act was to start a 24-hour test of the equipment on a link back to Herefordshire. He was due to fly out after that test, but during those 24 hours he was kidnapped.

Had those responsible at BT taken the installation more seriously, had they bothered to understand the situation on the ground, had they wished to ensure that he could do the work in the time scale that they believed was possible, he would not have been kidnapped. That is of no consequence to the others who were kidnapped, but in the case of my constituent it meant his life.

After seeking various meetings with BT, my constituents, who were already in touch with me, asked me to get involved. After some delays, I eventually spoke to Mr. John Steele, British Telecom's group personnel director. Peter's daughter, Sarah, and I attended a meeting with him on 13 April this year. I asked him some questions and expected some answers, as did Peter Kennedy's daughter. We asked him how many guards Peter had. He did not know. We asked him whether Peter had been told of the risks. He did not know. We asked him where Peter was staying in Chechnya. He did not know. We asked him why he had left Granger to make the arrangements. He told me that that company's staff had been in and out so often that he thought that it knew the risks.

British Telecom felt that if the kidnappers knew that BT was involved, a possible ransom would be increased. However, we have discovered that when Peter Kennedy went to Chechnya he carried with him British Telecom equipment. He was asked to sign and have signed by the local people a handover document stating that he had completed the work. The antenna that he carried had a BT symbol on it.

As the delays continued while Peter was out there, alarm bells began to ring at Madley in Herefordshire. One e-mail from a member of staff whom Peter knew well said:

"To all concerned, whilst people are casually passing the onus of this problem around, please have a thought for the person who is, at this moment, in Chechnya trying to get this system up and running for BT."

I believe that those responsible at BT acted disgracefully. They did not give the local staff in Herefordshire or their one-time employee Peter Kennedy any idea of the dangers that he faced. When the kidnapping happened, it was BT, not Granger, as the Government said, which led the negotiations. I was told that Granger could not cope and Control Risks conducted negotiations via Granger. Those at BT claimed to me in a meeting that they could not remember ransoms, but they were in regular negotiations. The Foreign Office and the Government must have known about that. The Foreign Office must have kept an eye on what Control Risks, Granger and BT were offering. Was a ransom on offer? What was said in the telephone conversations with the men before they were killed? Was a rescue planned?

The answers to these questions never came out fully at the recent inquest, and they will not bring back those who have died. However, the families should not have to resort to legal action against Granger or BT to find out what happened. I believe that Parliament should answer their questions for them.

I have always believed that the Government acted honourably in this incident. They knew the risks, and they passed them on to companies. Granger, and BT nationally, also knew the risks, but failed to pass them on. I hope that the law will be strengthened to ensure that companies have a duty of care to ensure that Foreign Office advice is passed on in the future.

Why did BT nationally fail to lay on adequate security for one of its own? Why, corporately, did it hide in London, allowing a local satellite station to take control? In a letter to me, John Steele from BT lists some of the ways in which he felt BT had supported the family. The list includes lending a mobile phone, providing a chauffeur to bring the family to London and attending Peter's funeral. BT also continued to pay Peter £350 a day until he was murdered.

In *The Sunday Times* yesterday, more came out about this tragic incident. The account of Raul, aged 36, who was held with the three Britons and the New Zealander, was published. In it, he tells of how the foreigners were beaten about the heads with rifle butts. Although it was dark, he said that he believed that they were already dead when they were decapitated. The video that he was shown the following day showed several figures cutting off the heads of the hostages. Afterwards, two of them were lying still; two had convulsions. Nothing can bring back those men, but we must learn from what happened.

Hereford is well known as the home of the Special Air Service regiment, and we have more than our fair share of ex-members of that regiment working in international security. We are proud of that, and we must say that at no time did Peter Kennedy ever work for the SAS. None of those involved worked for the SAS or were spies—that suggestion, made privately, and in Russia, is wrong.

I have spoken to a number of people involved in security, and I have asked how much it would have cost to provide Peter with some security. I am told that the first thing one does in international security is to send out a reconnaissance group to identify what is on the ground. Local support and a way of getting the person out is then provided. That could have cost between £20,000 and £25,000. BT could have provided that for Peter Kennedy. I should have thought that that would be a small price to pay in a multi-million pound deal. Instead, BT left a small company to cope.

It is no wonder that BT is making the profits that it has made. In the time it has taken me to make this speech, it has made £94,500 in profit. I wish that some of that money could have provided adequate security for my constituent.

10.13 pm

The Minister of State, Foreign and Commonwealth Office (Mr. John Battle): The House is grateful to the hon. Member for Hereford (Mr. Keetch) for raising this matter and for the way in which he raised it. He referred to the dreadful practice of hostage taking in Chechnya, and particularly to the tragic incident involving his constituent. Wider issues and questions of international affairs have emerged following this case, and that is what these Adjournment debates should be about. The hon. Gentleman has raised the case in an exemplary manner.

The timing of the debate is poignant, as it is almost a year since the deaths in Chechnya of the three British citizens and the New Zealander who were kidnapped in

Grozny in early October 1998 and whose remains were found on 8 December. I extend my condolences to the bereaved families. Our admiration goes out to them for their courage and fortitude over the past year.

As the House is well aware from our earlier debate and from the international news, the security situation in Chechnya was highly precarious at the time of the murders. It has deteriorated sharply since August, when Islamic militants from Chechnya invaded the neighbouring Russian republic of Dagestan. The Russians responded with air, artillery and ground attacks in Chechnya, which is now a combat zone. The Government are deeply concerned about the human suffering caused by the operations. There is little reliable information, but we believe that about 200,000 Chechens have fled to other regions, with many more displaced within Chechnya.

I want to use this opportunity to bring the House up to date on our efforts to get to the truth about what happened to the four murdered men. Despite the deteriorating security situation in Chechnya, we remain determined to press for those responsible for their murders to be brought to justice. Kidnapping is a crime; murder is a crime. We have repeatedly emphasised to both the Russian and the Chechen authorities their responsibility for investigating the kidnap and murder of the men and for bringing their murderers to justice. The Metropolitan police and the British embassy in Moscow have done everything in their power to establish what happened, but ultimately we have to rely on the Russian and Chechen authorities to enforce the law.

Both the Russian and the Chechen authorities have opened investigations into the kidnaps and murders. We are in close touch with the Russian authorities and have encouraged them to share information on the progress of their investigations, but the fact remains that they did not exert control in Chechnya at the time of the kidnapping, and the current hostilities mean that Russia has no formal contact with the Chechen authorities.

The Chechen authorities have claimed to be making progress in their investigations. They informed us in March that they had resolved the kidnapping part of the case and that four Chechens had been charged. They said that the murder investigation continued. Despite all our efforts, we have not been able to obtain any further information from the Chechen authorities, and there does not appear to have been a trial. As the security situation worsens, the prospect of getting to the truth must be increasingly remote. A face-to-face meeting with the Chechen authorities is now all but impossible; nor can we rely on local media reports.

We will continue our efforts; the matter will not rest unresolved. We want more headway to be made, but any further progress in the investigations by the Russian and Chechen authorities at this time is highly unlikely. We will continue to keep the case open and to press for information.

The hon. Gentleman rightly raised the subject of BT's involvement in this tragic affair, but I must correct any mistaken suggestion that the Government did not recognise BT's involvement. From the time when the Department was informed of the kidnap, it was recognised that Mr. Kennedy was subcontracted to BT.

The division of responsibilities and tasks between Granger and BT is a matter for them, but our understanding is that Granger did indeed take the lead, as my predecessor, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), said in his reply to the hon. Gentleman's private notice question on 9 December 1998. It was Granger's contract and it had the high-level contacts at Chechen Telecom and in the Government.

If the Government's public comments at the time emphasised Granger's role, there was a good tactical reason. As the hon. Gentleman will appreciate, the Government's overriding concern at such times is to safeguard the lives of the hostages, and it is important to minimise the risk of a ransom demand and to avoid raising their value in the eyes of the hostage takers.

The hon. Gentleman asked whether a ransom was on offer in negotiations between Granger and the kidnappers. That is an important point. The House is well aware of the policy of successive Governments. We do not pay ransoms and we do not condone the payment of ransoms, which ultimately only encourages further kidnaps and puts more lives at risk. Families and companies do not always follow Government policy; that is their right, but we do not condone it.

In the case of Mr. Kennedy and his colleagues, we were aware that Granger had discussed a ransom with the hostage takers. We actively discouraged that and made it clear that the Government could not be associated in any way with the payment of a ransom. Both companies were fully aware of Government policy and that we disapproved of paying a ransom.

The inquest at the Westminster coroner's court on 3 November into the death of the four men reached a verdict of unlawful killing. At the inquest, the Metropolitan police gave their assessment of the available evidence. They have concluded that there is no evidence to confirm or rebut any of the various explanations given for the deaths.

The hon. Gentleman will be aware that many rumours and theories have circulated about the reasons for and circumstances of the men's murder. Some of those rumours and theories have surfaced in the press, and my predecessor reported to the House on 25 March our best assessment at the time. We have been careful to pass on to the families any report that might shed light on why their relatives were killed, but I must emphasise that we have no evidence. The best that we can do is to speculate on the basis of rumour and report—but, I might add, we must be circumspect in doing so out of respect for the families' feelings. It should not come as a surprise to the House that there is so little reliable information, given the nature of Chechnya, but I wish to stress that every report and every rumour relating to the murdered men was, is and will be closely examined by officials here and in the region.

The security situation, dangerous at the time, has worsened considerably since that dreadful crime. I cannot stress enough the importance of companies and individuals heeding the FCO's travel advice. The advice for the Russian Federation has warned clearly and unambiguously against travel to Chechnya since 1994. My predecessor quoted the travel advice in full during a previous debate on the subject on 25 March and I shall repeat it. It reads:

"We strongly advise against travel to the Chechen Republic because of the unstable security situation. Kidnapping for financial gain is common. Westerners are particularly vulnerable. Those who travel to Chechnya despite this advice are taking severe risks, and must accept that the ability of the FCO and British Embassy in Moscow to render assistance is severely limited".

[Mr. John Battle]

That is the current advice. FCO officials brought that advice to the attention of Granger Telecom in both July and August 1998. Granger has told us it shared that advice with its staff. BT has also told us that it was aware of the FCO travel advice and of the dangers of visiting Chechnya.

I wish to draw particular attention to the last part of the advice about the ability of the FCO and the British embassy in Moscow to render assistance being severely limited. Travellers and their employers should not overestimate the ability of the FCO to help them if they get into trouble in a place such as Chechnya. British officials do not and should not travel to Chechnya—rightly, in view of the security situation. In view of our severely limited ability to render assistance, it is all the more important to heed our clear travel advice against travelling to Chechnya.

The advice applies to all who may wish to visit Chechnya, whatever their motive. Travel advice is aimed not just at tourists, but applies equally to business travellers, journalists, humanitarian aid workers and others. The deaths of the men whom we are discussing tonight should act as a tragic and sobering warning. Unfortunately, individual travellers and their employers, and other organisations, continue in some cases to ignore FCO warnings against travelling to certain dangerous parts of the world and, in doing so, put themselves at risk.

The hon. Gentleman raises many questions for BT to answer. He believes that BT never told Mr. Kennedy of the risks. That is clearly an issue for BT. For my part, I can only repeat that the FCO travel advice was clear and unambiguous and that both companies were aware of it.

What lessons can we learn from that tragic event? The hon. Gentleman suggests that companies should be obliged to warn their staff of the security situation in a country before they are posted there. I know that the hon. Member for Tiverton and Honiton (Mrs. Browning) made a similar proposal in the House on 25 March. I fully agree that employers have a moral responsibility to provide such information to their staff, including showing them the FCO travel advice. That is part of employers' duty of care towards their staff. It is not for us to become directly involved in the personnel operations of private companies, but we do expect UK employers to take our advice into account before posting their staff overseas. The individual also bears a responsibility to find out about the security situation in a country to which he or she is being posted.

The FCO takes every possible action to ensure that our travel advice is seen by companies and individuals. The advice is disseminated widely—it is circulated to the travel industry and is even accessible on BBC 2 Ceefax. It is also accessible worldwide on the internet and is available at any of our posts overseas. Our diplomatic missions overseas circulate all appropriate advice to resident Britons who are registered with them. It is up to each individual company to ensure that its employees are properly informed and that our advice is taken seriously.

As we all know, Chechnya is currently a dangerous place where the safety of British nationals cannot be guaranteed. British citizens should simply not go there. I hope that that advice will be heeded by both individuals and companies.

The House owes the hon. Gentleman a debt for the way in which he has taken the particularly tragic case of one of his constituents and highlighted how there may be flaws in structure and approach, leaving some individuals at great risk. Questions have been asked in this debate that will be for other people to answer, and I suspect that this debate will not mark the end of the case. The FCO will do what we can to examine all the available evidence and to discover what happened. We will continue to demand answers.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Ten o'clock.

House of Commons

Tuesday 23 November 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

PFI Hospitals

1. **Mr. Michael J. Foster** (Worcester): If he will make a statement on the progress made building new hospitals using the private finance initiative. [98926]

The Secretary of State for Health (Mr. Alan Milburn): Since 1 May 1997, 31 major hospital developments worth more than £2.9 billion have been given approval to proceed under the private finance initiative. Fifteen of those developments, worth more than £1.2 billion, have already signed final contracts and begun building.

Mr. Foster: I thank my right hon. Friend for that answer. As he is aware, after 40 years a new district general hospital is being built in Worcester using the PFI. Does he agree that that is concrete evidence of Labour delivering on pre-election pledges? Furthermore, does he agree that three distinct views on this issue are held in this House? The Conservative party failed to deliver a new hospital under the PFI and has now settled for the privatising initiative. The Liberal Democrats, the smaller Opposition party, oppose PFI except when it benefits their constituents and the Labour party is all for modernising the health service and making it fit for the 21st century.

Mr. Milburn: My hon. Friend is right. A huge hospital building programme is under way—the biggest programme that the national health service has ever seen—funded partially through the PFI and partially through the traditional Exchequer route. As my hon. Friend also rightly says, when we came to office although the Conservative party when in government had managed to spend £30 million on the fees of lawyers and management consultants, it had not got a single hospital built—not a bulldozer rolling or a brick laid. This Government are making the PFI work, delivering improved, modernised care for patients not merely in Worcester but in communities throughout the country.

Mrs. Virginia Bottomley (South-West Surrey): Peter Stock was a member of the Department of Health users and carers committee. He died a fortnight ago after spending 17 hours on a trolley—along with 18 other people in a local accident and emergency department. His widow has spoken movingly in the local paper about his work for the community. She has said that the only step that she can take is to seek improvements for others.

The right hon. Gentleman cannot solve all the problems of the health service, but is he aware of the despair in West Surrey health authority? The light on the horizon would be Farnham community hospital for the 21st century. If he can help it through the private finance initiative, he can have all the credit and all the spin that he wishes.

Mr. Milburn: That is a very handsome offer indeed and it is one that I will examine extremely carefully. The right hon. Lady has concerns about the issue and I have already invited her to speak to me about it. When we came to office far too many hospital projects were in the pipeline. The proposals were not moving through and we had to take some difficult decisions to prioritise those acute hospitals that were going to get the go-ahead. Thankfully, that action has got the PFI programme moving. Now, we want to study those proposals that are below the level of the huge acute hospital, which includes many community developments and some in primary care and mental health. We need to streamline that process, as we streamlined the process to get the acute hospital building programme moving. I will be happy to speak to the right hon. Lady directly about her concerns.

Mr. Andrew Reed (Loughborough): Is the Minister aware that Loughborough's PFI bid for the replacement of Loughborough general hospital was recently rejected? However, I congratulate my right hon. Friend on replacing that hospital using Exchequer money—the £9.5 million that was announced last Thursday is very welcome. Will he ensure that future projects do not always rely on PFI and that Exchequer money plays a real part in restoring and rebuilding the national health service for the 21st century?

Mr. Milburn: Yes, I can give my hon. Friend that assurance. When we decide that we are going to build a new hospital obviously we test for the most appropriate financial route. If the PFI turns out to be the best route and offers the best value for money and is affordable, we go down that route. That is not always possible. Loughborough hospital is one of a number of hospitals—others are in Hull and elsewhere—that we have decided to build through Exchequer capital. The point is that we test to find out what will work. That has to be the right approach. It means that, step by step, we are managing to modernise the national health service to give communities throughout the land precisely the sort of modern hospitals for which they have long been arguing.

Mr. Philip Hammond (Runnymede and Weybridge): On 18 November, 1998, the Secretary of State said:

"we will not allow any clinical services to be included in a PFI deal."—[*Official Report*, 18 November 1998; Vol. 319, c. 918.]

How does that square with what the right hon. Gentleman has just said—that he will test to find out what works? Can he tell the House if that is still the Government's policy and, if so, will he define what count as clinical services for the purposes of that pledge?

Mr. Milburn: The hon. Gentleman should know that we have already done that—we did it during the passage of the first Bill that the Government put through the House in this

Parliament after we came to office—the National Health Service (Private Finance) Bill. We defined exactly which services were clinical. The key difference between the Labour and Conservative parties on the issue is that while the Conservatives support the privatisation of clinical services, we do not. There is a whole world of difference between the private sector building buildings, which is what it has always done, and its charging NHS patients for treatment, which is precisely what the hon. Gentleman and his hon. Friends want, not merely in PFI hospitals but in hospitals throughout the land.

Mental Health Law

2. **Mrs. Eileen Gordon** (Romford): What plans he has to seek to amend the law relating to the treatment of those suffering from mental health problems. [98927]

16. **Mr. James Plaskitt** (Warwick and Leamington): What plans he has to seek to amend the law relating to the treatment of those suffering from mental health problems. [98941]

The Minister of State, Department of Health (Mr. John Hutton): On 16 November, we published a consultation paper on the reform of the Mental Health Act 1983. Our proposals are aimed at providing better protection for the patient and the public, underpinned by stronger safeguards for patients who are subject to compulsory care and treatment. Copies are available in the Vote Office.

Mrs. Gordon: I thank my hon. Friend for that answer and for the Government's moves to modernise mental health services. For my constituents, the acute mental health hospital is Warley in Brentwood. Despite the best efforts of its staff, it is a dreadful Victorian institution that should have been closed about 10 years ago. Luckily, it will be soon be empty, and not a moment too soon.

Does my hon. Friend agree that it is disgraceful that the previous Tory Government pushed ahead with care in the community without the resources or understanding to implement it properly? That caused problems for both patients and the public. Will he reassure me that we will take due note of representations from health professionals and groups such as MIND in drafting new legislation, especially on compulsory treatment orders, in balancing the rights of patients and the public?

Mr. Hutton: I can certainly give my hon. Friend the assurances that she seeks. For too long, mental health services have been at the margins of the NHS, and that is not good enough. It must change. For too many patients, care in the community had become "couldn't care less in the community". That is not good enough either. Our proposals will strengthen the legislation and provide better protection for both patients and the public. I hope that they will command widespread and general support in the House.

Mr. Plaskitt: The modernisation of mental health services is welcome. Can my hon. Friend say what individual legal safeguards he can introduce for those subject to compulsory treatments?

Mr. Hutton: I certainly can. Taking away a citizen's civil liberties is a serious step, and one that we are not prepared to take lightly. The proposals that we are consulting on represent a significant step forward in providing greater and stronger legal protection for those in our community who may be subject to compulsory treatment orders. I assure the House that if the proposals are enacted, it will guarantee for the first time that all these important decisions are made by independent judicial bodies. That is a significant and welcome strengthening of the legislation.

Mrs. Marion Roe (Broxbourne): How does the Minister propose to tackle the problem of recruitment and retention of qualified mental health staff?

Mr. Hutton: I do not know whether the hon. Lady has had the opportunity to read the national service framework for mental health, which we published at the end of September and sets out our proposals in some detail. As it happens, I announced today the establishment of a special group of NHS-led professionals, chaired by Sue Hunt, the chief executive of Coventry Healthcare NHS Trust. Her job by March next year is to produce sensible, concrete recommendations to tackle those issues. I agree that burn-out rates and stress among mental health services staff are critical and must be addressed. We will not succeed in our ambition to modernise mental health services unless we have the best trained and qualified, and most committed, work force that we can provide.

Mrs. Ann Winterton (Congleton): Is the Minister aware that the mental health services are often seen as the Cinderella of the national health service and that services for young people are particularly patchy? Does he know of the work of a charitable organisation in my constituency called Visyon, which seeks to assist young people with mental health problems by supporting them and their families? Has he any plans to increase funding for such organisations, which fill the gaps in the NHS?

Mr. Hutton: I am sorry to say that I am not aware of Visyon's work. If the hon. Lady wants to write or speak to me about it, I would be happy to have that conversation. We are committing £90 million of additional public money to improve mental health services for children and adolescents. The hon. Lady is right that those services have been patchy and inconsistent. We have a clear responsibility to improve them for our young people, and we are going to do that. It will form an important plank in our ambition to modernise mental health services to make them fit for the next century.

Mr. John Gunnell (Morley and Rothwell): Does my hon. Friend plan to amend the section of the mental health legislation under which many people receive electro-convulsive therapy against their wishes?

Mr. Hutton: The Richardson committee, which made proposals to us recently about reforming the mental health legislation, has proposed a number of ways in which the dispensing of ECT might be strengthened to tackle some of the concerns that my hon. Friend has raised. I know that he feels strongly about the subject. We are currently

consulting on the proposals and we shall consider closely what people say to us about how we can change the law. ECT is well established as a life-saving treatment for general psychotic depression and that is why we would have to think carefully about restricting access to that treatment.

Mr. Nick Harvey (North Devon): Can the Minister give assurances that the inclusion of compulsory treatment orders in the Green Paper, which we have not yet had a chance to debate, is not a means of compensating for a shrinking mental health service in which there are substantial numbers of vacancies for psychiatric nurses and even more for psychiatrists? With 980 mental health beds lost since Labour came to power, is there not a danger that this potentially draconian measure will be used to bridge the gap between the expectations placed on mental health services, fuelled in a sense by the national service framework, and the level of resourcing so far devoted to it?

Mr. Hutton: That is a load of nonsense. The answer to the hon. Gentleman's question is no. He has to look carefully at what we are proposing. He says that we have not had a chance to debate the Green Paper, but we only published it last Tuesday. There will be plenty of opportunities to discuss it. The issue for the hon. Gentleman and his hon. Friends is simply that the community care legislation is failing and the mental health legislation as a whole is failing patients, the public and staff. So it is simply not an option to consider not changing the legislation. We have to change it. We have to strengthen the provisions, but I should point out to the hon. Gentleman that we are doing that as well as strengthening the legal safeguards for patients who might be at risk of being compulsorily treated. That is the right way of dealing with the matter. We are spending £700 million on top of the money that is already going into the mental health service to improve the services for people. The mental health service has been a Cinderella service, but it will not be in the future.

Food Standards Agency

3. **Mr. Ben Chapman** (Wirral, South): If he will make a statement on the timetable for the introduction of the Food Standards Agency. [98928]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): My right hon. Friend the Secretary of State, together with colleagues in Scotland, Wales and Northern Ireland, hopes to be able to announce the appointment of the chairman designate for the Food Standards Agency before the end of the year. We expect the formal launch of the agency to be in spring 2000.

Mr. Chapman: This is very good news indeed. *[Laughter.]* It is an example of the Government taking timely and effective action on a crucial matter and it compares dramatically with the lack of any effective action by the Conservative party when in government. Does my hon. Friend agree that the separation of the regulation and the promotion of the industry is timely and, in the light of what has gone before, long overdue?

Yvette Cooper: I certainly do. It was a manifesto commitment to set up the agency. It is a shame that Conservative Members do not take the Food Standards Agency seriously. The agency's main objective will be the protection of public health from risks that may arise in connection with the consumption of food. Public health and the consumer must come first.

Mr. David Ruffley (Bury St. Edmunds): Does the Minister expect the agency to propose the lifting of the ban on beef on the bone?

Yvette Cooper: That is a matter for my right hon. Friend the Minister of Agriculture, Fisheries and Food. The chief medical officers for the United Kingdom—for England, for Scotland, for Wales and for Northern Ireland will be meeting soon to consider the issue further.

Smoking

4. **Mr. Richard Burden** (Birmingham, Northfield): If he will make a statement on the action he is taking to combat smoking. [98929]

The Secretary of State for Health (Mr. Alan Milburn): The Government's strategy on tobacco control is set out in the White Paper,"Smoking Kills". It includes commitments to increase funding, to reduce tobacco consumption and to ban tobacco advertising. We will honour all those commitments.

Mr. Burden: I thank my right hon. Friend for that reply. Is he aware that, recently, the Under–Secretary of State for Health, my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) and I launched the latest phase in the campaign for helping Birmingham to stop smoking. Does he agree that that campaign offers a good example of co-operation between agencies, which involved not only "Smoke Free Birmingham", the health authority and trusts, but local authorities as well? Our local newspaper the *Birmingham Evening Mail* is doing its bit by displaying anti-smoking posters on the back of more than 80 delivery lorries. Would he welcome that, as well as the involvement of young people in the campaign? Two students from the university of Central England—Matt Preston and Leon Ostle—have been active in designing posters.

Mr. Milburn: It is always gratifying when the press and media take a positive interest in health issues. I especially congratulate the *Birmingham Evening Mail* on the part it played in the local campaign—as I also congratulate my hon. Friends. The issue is extremely important, and it is equally important that we get a ban on tobacco advertising as quickly as we can. We know that tobacco consumption kills about 120,000 people each year. Far too much of the advertising is aimed directly at young people, so it is heartening to hear that, in Birmingham, young people are involved in the campaign.

I can tell my hon. Friend and the House that, from 13 December, the Government will launch the biggest public education campaign about the dangers of smoking that this country has ever seen.

Mrs. Caroline Spelman (Meriden): Given that the Government are at odds with their chief medical officer over their exemption of formula one racing from the ban on tobacco advertising, does the Secretary of State still believe that a ban on sponsorship will help to reduce smoking? If he does, what possible medical justification is there for the Government to delay moves to prohibit tobacco sponsorship for formula one until 2006?

Mr. Milburn: The answer to the question about whether the Government still support the ban on tobacco advertising is yes. I understand that, like a bunch of Johnny-come-latelys, the Opposition now support that policy too. Of course, they had 18 years to ban tobacco advertising, but they did precisely nothing about it—no ban on tobacco advertising, no service development and no policy development.

Chesterfield and North Derbyshire Trust

5. **Mr. Harry Barnes** (North-East Derbyshire): What response his Department has made to *(a)* the report of the inquiry into serious untoward incidents at Chesterfield and North Derbyshire Royal Hospital NHS Trust and *(b)* the trust's response and action plan; and if he will make a statement. [98930]

The Minister of State, Department of Health (Mr. John Denham): The independent inquiry panel investigated in depth the circumstances of two cases in which women underwent unnecessary surgery for cancer. The report attributes the mistakes to human error on the part of a single clinician. Patients are entitled to receive the highest standards from their national health service, and it is clear from this report that the histopathology service provided to those two patients fell far short of those standards. The report and its recommendations will enable lessons to be learned from those tragic errors and, through the action plan published by the trust, efforts will be made to ensure that such a situation cannot be repeated.

Mr. Barnes: I am concerned about that reply, because the matter is very serious and affected my constituents. One of the two involved—Anita Froggatt—had a breast removed as a result of an incorrect diagnosis. Is the Minister satisfied that the report was as serious as it should have been? Were not the investigations rather thin in relation to the findings produced? Is the Minister happy with the response from the hospital? Its 21-point action plan seems to state that it is already doing everything that it was asked to do, so either it is not being asked to do enough, or it is not giving a full and correct response to the report. That is a great problem and the Department should investigate those matters further.

Mr. Denham: I agree that the matter is extremely serious. I can assure my hon. Friend that I have considered the history of the report in some detail. I am satisfied that questions about the report—especially as to whether there should be further recall or re-examination of previous tests—were carefully considered; the advice of the Royal College of Pathologists was sought on that point. I am satisfied that the action taken was appropriate in the circumstances.

As for the trust's response, I have no evidence that it is dismissive of the recommendations in any way. However, I give my hon. Friend an absolute assurance that it will not be left purely to the trust and its word to ensure that the recommendations are implemented. The trust will be scrupulously monitored by the regional office of the National Health Service Executive. I can give my hon. Friend an assurance that it will also be its responsibility to ensure that every recommendation is implemented in full, for the benefit of patients in his constituency and elsewhere.

Eastbourne Hospital

6. **Mr. Nigel Waterson** (Eastbourne): What assessment he has made of the implications of the Greenwood report for Eastbourne district general hospital. [98931]

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): Once the recommendations contained in the "Report into Nursing at Eastbourne Hospitals NHS Trust" are implemented, confidence in the national health service will be re-established, high quality services will be provided in a safe environment and the trust should develop as a real centre of excellence for local people.

Mr. Waterson: Can the Minister confirm that one of the key conclusions of the Greenwood report was that there was a shortage of qualified nurses and a problem with the nursing staff's skills mix at that district general hospital? Is she aware that, as recently as the past week, the Hailsham 2 ward—a 30-bed ward—has been closed, and that the reason given is to ease pressures on nursing staff? When will the Government do something positive about putting in more resources to hire more nurses, especially fully qualified nursing staff, at Eastbourne district general hospital?

Ms Stuart: The hon. Gentleman raises some very valid issues. As a previous Parliamentary Private Secretary to a Health Minister, he knows that it takes several years to train nurses. There has been a shortage of qualified nurses in that area, which we are addressing. The hon. Gentleman will be pleased to know that, since the Adjournment debate that he initiated, an extra five nurses have been recruited to the surgical ward, which is temporarily closed; but more important, extra funding has been found for an extra 10 nurses in the area. I am sure that he will welcome the extra £900,000 that is to go into the accident and emergency department in that hospital next year.

Mr. Norman Baker (Lewes): May I refer the Minister to the early-day motion that I tabled at the end of the previous Session, which drew attention to the fact that the former chief executive, who was heavily criticised in the excellent Greenwood report, was given a pay-off of £76,000? Does she understand how angry my constituents in Seaford, Polegate and elsewhere are that a person who should be seen to have failed abysmally and who brought so much distress on the hospital, should be rewarded with such a pay-off? Does she believe that hospital porters who

failed would be given such a pay-off? Is it not time that NHS contracts were rewritten to ensure that failure cannot be rewarded?

Ms Stuart: Failure should never be rewarded. In the case to which the hon. Gentleman refers, the settlement that was reached was the minimum cost settlement that the NHS could legally make. Individual trusts negotiate and, as a result of the incidents in that hospital, the regional director, Barbara Stocking, has written to all the NHS trust boards and required them to examine contracts of employment to ensure that the situation that the hon. Gentleman describes does not occur again.

Community Pharmacists

7. **Mr. John Healey** (Wentworth): What role he plans for community pharmacists in the future delivery of primary health care services. [98932]

17. **Mr. Mark Todd** (South Derbyshire): What steps he has taken to increase the role and recognition of pharmacies in primary care. [98942]

The Minister of State, Department of Health (Mr. John Denham): We have made it clear that we believe that community pharmacists have an important role to play in primary health care. We can do more to realise their full potential. Community pharmacists, who of course offer free advice on the high street and with no appointment, will play a major role in the Department's "Choose the right remedy" winter campaign, and we shall be publishing a strategy document, setting out ways of making better use of the skills and expertise of community pharmacists within the new national health service.

Mr. Healey: I thank my hon. Friend for that encouraging reply, but can he confirm when the first limited pharmacist prescribing pilots will begin? Will he consider the case for the Rotherham local pharmacists committee to play a part in those pilots, in view of the fact that, for nearly two years, local pharmacists have been advising some general practitioners on prescribing, and that that has led to drugs budget savings and better-quality prescriptions?

Mr. Denham: There is no doubt that pharmacists can help make better use of prescribed medicines. They can help with more cost-effective prescribing through advice to GPs and through the effective management of patients' medication regimes. We are keen to encourage those developments in several ways, including the involvement of pharmacists with primary care groups. We have supported the Pharmaceutical Services Negotiating Committee's medicines management project through funding, although that project is not yet ready to consider pilot sites. Therefore we are committed to developing the role of community pharmacists, and as part of that process we have had discussions with the pharmacy and medical professions about proposals to enable pharmacists to supply on the NHS some medicines that do not need a doctor's prescription. Again, we are not in a position to introduce firm proposals on that, but it is being given close scrutiny.

Mr. Todd: I welcome both the Minister's encouraging replies on the subject. The rural pharmacies in my area, such as those in Castle Gresley, Melbourne, Etwall and Willington, provide valuable services to my constituents. Among the things that would reassure them about their value would, first, be prompt settlement of the claims for remuneration by pharmacists and, secondly, the recognition that, in small pharmacies, the ability to absorb lower unit costs in providing pharmacy services is extremely limited. That fact should be recognised in any settlement offered to the pharmacy sector. Does my hon. Friend agree?

Mr. Denham: On my hon. Friend's first point, if there are issues of particular concern about the payment of remuneration, I shall certainly be happy to consider them in greater detail. Rural pharmacies play a very important role in the countryside and my hon. Friend may be interested to know that, in the not too distant future, my noble Friend Lord Hunt will meet the Pharmaceutical Services Negotiating Committee and the general practitioners committee of the British Medical Association to consider some of the issues involved.

The global sum for pharmacies was increased by 3 per cent. this year—well above the rate of inflation—and we believe that that is a fair settlement. From time to time, we discuss more detailed issues with the negotiating committee.

Mr. James Gray (North Wiltshire): It is easy for the Minister to pay lip service to how the Government listen to rural pharmacies. Is he not aware that people, such as the old people and young mothers in my constituency who live many miles from the nearest town, utterly rely on rural pharmacies? The fact that Lord Hunt will have a meeting in the next few weeks will do nothing to resolve the problem. Many pharmacies are close to bankruptcy and will go out of business shortly. By what mechanism does the Minister know how many pharmacies in rural areas are going out of business, and what does he intend to do about it?

Mr. Denham: I am not aware of any significant trend of the sort that the hon. Gentleman has tried to describe. The position on the supply of pharmacies and pharmaceutical services in rural areas is stable. There are issues that arise because of the conflicts that have come up in the past between doctors who wish to dispense in rural areas and the provision of rural pharmacies. We have said for some time to the negotiating committee and to the British Medical Association that we would be prepared to consider, without obligation, any joint proposals that came forward to resolve the impasse that has existed for some time. It is proposals of that sort that Lord Hunt will be discussing in a few weeks time, but it is too early to say whether that will lead to a resolution of the problem. At least the two sides have got together and made some proposals. That is a considerable step forward.

Dr. Jenny Tonge (Richmond Park): Does the Minister agree that, with the approach of Christmas and the millennium celebrations, there will be an escalating need for advice on family planning, contraception and the supply of the necessary things? Indeed, a very eminent member of the Labour party has already demonstrated that need—and Christmas is not yet upon us. Will the Minister

tell the House whether, in the protocols between local pharmacies and doctors, he will include the provision of emergency contraception?

Mr. Denham: The plans made—probably in greater detail than ever before—for the winter and the millennium period include and have included at local level the provision of the widest range of local pharmaceutical services. We have made every effort to ensure that the services that people can normally obtain from a pharmacy at other times of the year will be available over the millennium period as well.

NHS Direct

8. **Shona McIsaac** (Cleethorpes): If he will make a statement on the use of NHS Direct. [98933]

The Parliamentary Under-Secretary of State for Health (Ms Gisela Stuart): NHS Direct currently handles around 100,000 calls a month. Nearly one in five callers have used the service before, indicating a high level of satisfaction with and confidence in NHS Direct. I am pleased to be able to inform my hon. Friend that NHS Direct will be available to her constituents in Cleethorpes from the end of November.

Shona McIsaac: Does not NHS Direct demonstrate the gulf of difference between Labour and the Conservative party? With us, health care is the price of a local phone call, and with the Conservative party, it is the price of private health provision. Does my hon. Friend have any evidence that health care is being extended through NHS Direct?

Ms Stuart: NHS Direct is the most visible demonstration that the Government are committed to modernising the national health service, not privatising it. In the House, a previous Health Minister described NHS Direct as "peripheral and frivolous", and that is not true. NHS Direct evidence shows that men in particular are using health advice more extensively; some 2,000 callers a month are directed to call an ambulance and therefore receive more appropriate services, and some two thirds of callers receive advice on treatment or seek GP services. If the Conservative party does not recognise those achievements, that simply shows how out of touch it is with the real world.

Dr. Peter Brand (Isle of Wight): I am of course delighted that people contact the NHS when it is appropriate, but has the Minister done any work to demonstrate that calls to NHS Direct would not have been made to other services? What is the cost per contact for NHS Direct as opposed to the cost per contact for other services? Will the Minister assure us that where there are well-established out-of-hours services, NHS Direct will not become a competing service but will be integrated with existing services?

Ms Stuart: Independent evaluation of NHS Direct calls is being conducted, and all the evidence has consistently shown that two thirds of callers take action that is different from and more appropriate than the action that they had originally intended to take. More importantly, all the evidence in areas where NHS Direct works with GP co-operatives clearly shows that the service is supplementary to existing services. It not only helps patients but is welcomed by the medical community because it integrates services more effectively.

The university of Sheffield will publish more extensive research next year which will allow us to validate the current regional evidence, and by the end of next year, national figures will be available when the service is rolled out completely.

Mental Health Services

9. **Helen Jackson** (Sheffield, Hillsborough): What plans he has to improve mental health services. [98934]

The Secretary of State for Health (Mr. Alan Milburn): Modernising mental health services is one of the Government's key health priorities. We are increasing investment and setting new national standards, and now propose to change mental health legislation.

Helen Jackson: Does the Secretary of State agree that there is still a great deal of fear and stigma attached to mental illness, which is often characterised by loss of employment and consequent loss of income for families, and that the burden and costs of care frequently fall on relatives and on the communities where the patient lives? Does he agree that extra funds for community health care should be a top priority?

Mr. Milburn: My hon. Friend is right. There is a great deal of stigma attached to mental health, but the truth is that one in four people in our country will, at some point in their life, have a mental health problem. It is true also that, for far too long, mental health services have been outside the mainstream of the national health services and social services. We are seeking to put that right. I do not pretend, and I certainly do not give an assurance to my hon. Friend, that those problems can be solved overnight, because they cannot. The state of the mental health services that we inherited was simply deplorable, but we shall make them better. We are making them better step by step.

We are investing extra resources. As the Minister of State, my hon. Friend the Member for Barrow and Furness (Mr. Hutton), has just explained to the House, an extra £700 million will be invested this year, next year and the following year to modernise mental health services, not only in hospitals but in the community—because, as we know, the majority of people with a mental health problem are treated in the community. We have to make sure that those services are appropriate, fast and fair, just as we want fast and fair services throughout the whole of the NHS.

Mr. Nick St. Aubyn (Guildford): Owing to the pressures of life in the fast lane of Britain's economy, mental health services are just as much in demand in our most affluent areas as they are in those that are less-well-off. Does the Secretary of State recognise that? Will the Advisory Committee on Resource Allocation report on the matter, and if so, when does he expect it to do so? Will he take account of the fact that, since this Government came to power, the amount of money

allocated to my area has fallen, relatively speaking, with the result that mental health services are under severe pressure and are being closed in Guildford?

Mr. Milburn: I would very much like to see the figures to which the hon. Gentleman refers. The Conservative Front-Bench team are always calling for less money for the NHS, describing our spending on mental health and the NHS generally as madness, reckless and irresponsible, yet Conservative Back Benchers are always calling for more spending in their own areas. The truth is that it is more money for the NHS with this Government, and less with the Tories. Since they are always asking for an honest debate about health service priorities and spending, it is time they started to itemise, treatment by treatment and service by service, the spending that they think is reckless and mad, which services they would cut and which patients would have to put their money where the hon. Gentleman's mouth is.

Mr. George Stevenson (Stoke-on-Trent, South): Is my right hon. Friend aware that progress in improving mental health services in north Staffordshire is made much more difficult by the fact that the area receives £8.2 million below its basic target funding? Although we in north Staffordshire very much welcome the additional resources that the Government have provided for specific NHS initiatives, what assurances can my right hon. Friend give that serious anomalies in basic target funding will be addressed as a matter of urgency, so that we may make the progress in mental health services that we desperately need?

Mr. Milburn: My hon. Friend has raised this issue with me on previous occasions. Of course we recognise that we must have a funding system that not only ensures that health providers throughout the country get the resources that they need to modernise mental health and other services, but represents a fair allocation of resources. That is why, last year, we announced a fundamental review of the way in which health resources are allocated. That work is going on now, and I expect a report in a year or so. It parallels the review of local government methods of allocation being undertaken by my right hon. Friend the Deputy Prime Minister. I expect the consequence to be not just more money for the NHS, which is what the Government are providing, but a fairer means of allocating extra resources.

Dr. Liam Fox (Woodspring): Last year, the Secretary of State said:

> "As now, no one will be denied the drugs that they need. That is a guarantee."—[*Official Report*, 30 June 1998; Vol. 315, c. 143.]

Will he guarantee that none of the new antipsychotic drugs have been denied to patients as a result of their cost?

Mr. Milburn: The antipsychotic drugs are one of the new forms of drugs and treatment that we have referred to the National Institute for Clinical Excellence. The hon. Gentleman knows that, so I do not know why he raises the issue. He also knows that we have referred to NICE other drugs and treatments for cancer, coronary heart disease, hepatitis C and multiple sclerosis precisely so that, in future, we can deal with the lottery of care which his party was responsible for creating. It was his party that fragmented the NHS to such an extent that a national health service ceased to exist in all but name.

Dr. Fox: I apologise for asking a question that the Secretary of State found it awkward to answer, but I thought that that was the point of Question Time. His answer was just as evasive and nonsensical as many of those given earlier by his colleagues on the Front Bench. Psychiatrists are telling us that they cannot prescribe the new drugs as a result of financial restrictions. The drugs have fewer side effects and result in better patient compliance, which is especially important in the treatment of schizophrenic patients. When prescription is refused on cost grounds, it is a failure to fulfil the duty of care, bad for the patient and dangerous in the community. Are not antipsychotic drugs, beta interferon and the new anti-cancer drugs being routinely denied to NHS patients on grounds of cost? Is it not true that Ministers are administering the NHS with a lethal cocktail of complacency and incompetence? Their words are meaningless and their promises worthless, because they say one thing and do another.

Mr. Milburn: I suppose that was the soundbite. On the issue of the new generation of antipsychotics, the hon. Gentleman knows full well that the Government have made available extra resources to health authorities throughout the country precisely to enable the new treatments to be prescribed. He says that he knows best about the treatments, but it is precisely because we have referred the issue to the National Institute for Clinical Excellence, that we shall, for the first time in the history of the NHS, have clear and authoritative guidance on what works best and which treatments work for which patients. The fact that we have done that signifies the priority that we attach to ensuring that patients with mental health problems receive the sort of treatment that they deserve.

Long-term Care (Elderly People)

10. **Dr. Lynne Jones** (Birmingham, Selly Oak): If he will make a statement on his proposals for improving the system for financing long-term care for elderly people. [98935]

The Minister of State, Department of Health (Mr. John Hutton): We have already acted on several recommendations of the royal commission on long-term care. We are improving services to carers by allocating £140 million over three years to help to fund respite care, and we are extending direct payments to people aged 65 and over. We also have specific proposals to improve the quality of residential and nursing care services through the introduction of a new independent regulatory system with national minimum standards. We are currently carefully reviewing the rest of the royal commission's recommendations, including those contained in the minority report, and we shall announce our response as soon as that consideration is complete.

Dr. Jones: According to our manifesto, the royal commission was set up

"to work out a fair system for funding long-term care for the elderly."

Although I welcome the measures the Government have taken so far, I am disappointed that no Minister has yet been able to announce to the House that the Government intend to accept the independent advice for which they asked in respect of funding proposals. Given that the majority report both commands the support of the overwhelming majority of informed opinion and is massively popular with the public, the Government should not require too much courage to take the necessary steps to implement its sensible and cost-effective recommendations in full.

Mr. Hutton: I am sorry that my hon. Friend is disappointed. As I said, we are actively considering all the recommendations, including those in the minority report, which took a slightly different perspective. My hon. Friend refers to cost, but it is worth bearing it in mind that, if implemented in their entirety, the royal commission's recommendations would add £6 billion a year to public expenditure. It is thus perfectly reasonable to spend some time now ensuring that we get the decisions right.

As I am sure my hon. Friend is aware, the system is one that was created by the Tories: they had 19 years in government to perfect the system, but what a shambles they made of it. We think that it is reasonable to make sure that we get the decisions right now so that we create a sustainable system for funding long-term care that is fair to the individual and the taxpayer and stands the test of time.

Mr. Stephen Dorrell (Charnwood): Can the Minister confirm that when the Labour Government took office, they inherited draft legislation the effect of which would have been to reduce the burden of paying for long-term care on those families that had taken steps in advance to insure against that care being needed? Will he tell us whether, in their two and a half years in office, the Government have had any better ideas—or, come to that, any ideas at all—on how to deal with the issue?

Mr. Hutton: That from the man who created the current shambles! The right hon. Gentleman is not in a good position to dispense that sort of advice, given that his fingerprints are all over the existing system. He is right to say that we inherited legislation from the previous Government, but he might like to refresh his memory of paragraph 5.13 of chapter 5 of the royal commission's report.

Mr. Dorrell: I know it well.

Mr. Hutton: I am sure the right hon. Gentleman does, but other hon. Members might not be so familiar with that paragraph, so I shall inform the House of what it says. Describing the scheme that the right hon. Gentleman has just recommended to the House, the royal commission said:

"The scheme as presented by the previous Government was rather complex, and it was difficult to see where the benefits lay, and to whom."

I think that that is polite royal commission-speak for "What a load of old cobblers those proposals amounted to."

Day Care Inspections

11. **Caroline Flint** (Don Valley): What plans he has to extend inspection regulations to day care for the elderly and adults with physical and learning disabilities. [98936]

The Minister of State, Department of Health (Mr. John Hutton) *rose—*

Hon. Members: Get on with it.

Mr. Hutton: I am sorry. I am still recovering from the previous exchange.

We have no such plans at present but we will keep under review the need for regulation in this area in future.

As my right hon. Friend the Secretary of State announced at the social services conference on 29 October, we are also reviewing learning disability services, including the provision of day care. The learning disability advisory group set up last autumn, together with other interested organisations, will be fully involved in the development of the new strategy.

Caroline Flint: I thank my hon. Friend for that answer. I wrote to the Department earlier this year because the issue was raised by a constituent, Ms Sawdon, who lives in Bawtry, who drew attention to the lack of regulation of day care services for vulnerable adults. Considering that people may spend up to eight hours a day, five days a week in such environments, I urge the Government to consider including day care services for vulnerable adults in the regulations for social care services. Will my hon. Friend give me a further assurance that the Government will reconsider this matter?

Mr. Hutton: I can reassure my hon. Friend that we are keeping the matter under close review. We set out our intentions in the "Modernising Social Services" White Paper. I repeat that in the learning disability strategy review that we are embarking on we will be examining carefully the provision of day care services for learning-disabled adults, and children in particular. We are conscious that there is a huge variation in the quality of services provided for these vulnerable people. It is our ambition to ascertain how we can improve the provision of services to ensure that people throughout the country can have confidence in the services being provided and to ensure that they are of the highest quality.

Mr. Nicholas Winterton (Macclesfield): The Minister will know of my deep concern over a long period relating to matters regarding the elderly and the disabled. Will he accept that while we want to guarantee the quality of day care facilities for the elderly and the disabled, it is important that regulations do not add too much to the cost of the provision of the care and facilities that are required? If regulations do have that effect, we could thereby reduce the facilities that are now available, which surely would be to the disadvantage of the vulnerable and important groups that we are discussing.

Mr. Hutton: I agree with what the hon. Gentleman says. He has a distinguished and proud record in the House of speaking up for these causes, and I pay tribute to him for that. However, I remind him that we do not have any current proposals to add the provision of day

care services to the list of issues that the new and independent inspection and registration agency will be required to supervise. On a more general level, the hon. Gentleman is right to say that regulation in this area has to be affordable and realistic. At the end of the day, however, it must drive up the quality of care throughout the country. We need a system in which the public can have greater confidence. I am sure that we shall be able to construct such a system.

Mr. David Hinchliffe (Wakefield): May I underline the point made by my hon. Friend the Member for Don Valley (Caroline Flint) about the serious gap in the White Paper on the regulation of day care? Is the Minister aware that it is conceivable, given what is being proposed by the Government, that the inspectorate could close down a private residential home, and that that establishment could reopen offering day care and that if that happened, nothing could be done about it.

Mr. Hutton: My hon. Friend has raised an important point. I can only re-emphasise the argument that I have tried to advance. We are setting up a new independent regulatory and inspection system to replace the 250 authorities that are currently discharging this function. It will be a significant improvement. The new agency will have new competencies in respect of domiciliary care services, for example.

In setting up a new independent inspection service, it is important to ensure that we move step by step to build up confidence in the new regulatory system. I repeat that we are keeping this issue under the closest review. If it is necessary, we shall not hesitate to take the appropriate steps to ensure that there is greater confidence in the provision of day care services.

Prostate Cancer

12. **Mr. Howard Flight** (Arundel and South Downs): What steps he is taking to promote awareness of prostate cancer; and if he will make a statement. [98937]

The Parliamentary Under-Secretary of State for Health (Yvette Cooper): More than 8,000 men die each year from prostate cancer, and as yet there is no known way by which men can reduce the risk of prostate cancer. We are concerned to promote awareness of prostate cancer and its symptoms. The Department of Health and the Health Education Authority currently produce literature on cancer in men, including prostate cancer, to raise men's awareness of the risks.

Mr. Flight: As the Minister acknowledges, prostate cancer has become one of the major killers of men. Some 18 months ago, I participated in an Adjournment debate, secured by my hon. Friend the Member for Mid-Dorset and North Poole (Mr. Fraser), in which the Government undertook to consider increasing the resources spent on research. As the Minister knows, at present a paltry sum of less than £100,000 is spent on research. How much is spent on promoting awareness? Men are supposed to be shy about such problems, which is part of the reason why the disease is not discovered in sufficient time.

In summary, prostate cancer is a major killer, but nothing much is being spent on research, there is very little promotion of awareness, and little testing is carried out, because it is deemed to be unreliable and too expensive. The subject seems to be neglected, but it is an urgent one.

Yvette Cooper: I can give the hon. Gentleman further information about research into prostate cancer. I, too, am extremely concerned that proper research into the disease should be undertaken and that something should be done to reduce the risks and the distressing symptoms of prostrate cancer.

The Government have made significant additional investment in prostate cancer research over the past two years. Since 1997, the Government have directly committed more than £800,000 to new prostate cancer research projects. In addition, the Department is providing support for prostate cancer research commissioned by charities and by the Medical Research Council—research which takes place in the NHS.

Furthermore, the Department has been reviewing priorities in cancer research within the NHS, and we have set up a cancer research funders forum involving the MRC, the Department of Health and major cancer charities, which will meet in January. We have asked the forum to consider prostate cancer research as a matter of urgency.

Dr. Doug Naysmith (Bristol, North-West): My hon. Friend will be aware that there exist screening tests for prostate cancer, although they are not routinely used in the NHS. I know that they are pretty unreliable, but can my hon. Friend give me an assurance that some of the research money to which she referred and the effort to be expended will be devoted to improving screening tests for prostate cancer?

Yvette Cooper: I can tell my hon. Friend that the Department's standing group on health technology has identified cancer of the prostate as one of the priority areas for health technology assessment. I can also tell him that the national screening committee is keeping the matter under continual review. In the new year the committee will re-examine the issues, including the latest evidence on the tests and the treatment available. In the past, the committee concluded that there was no evidence that the introduction of widespread population screening would reduce the number of deaths from prostate cancer. However, the matter will be reviewed over the next few months.

Dr. Liam Fox (Woodspring): In order not to cause the Minister too much anxiety at the Dispatch Box, I shall ask her a simple question, to which she can answer yes or no. If studies currently being carried out in the United States and Europe show that PSA—prostatic specific antigen—screening and the follow-up treatment to which she refers significantly reduce death rates from prostate cancer, will the Government follow the campaigns by the *Daily Mail* and *The Sun* and introduce the Conservative policy, outlined by the Leader of the Opposition, of screening all men aged 50 to 70 every three years?

Yvette Cooper: I have seen a copy of the Conservative party press statement on the matter. Tucked away well down the press statement are the words

"subject to it being proved that such campaigns are effective".

I hope that the hon. Gentleman will therefore support our decision to refer the matter to the national screening committee, and to respond to the evidence that the committee considers.

It astonishes me that the hon. Gentleman thinks that his party could fund any form of screening programme, whether for breast cancer, cervical cancer or anything else. Given the black hole in the Tory finances, perhaps he plans to introduce a new form of screening programme—based on people's ability to pay for cancer treatment.

Mr. Denis MacShane (Rotherham): Will the Minister join me in congratulating the newspapers that have campaigned on this, including *The Times*, in which Dr. Thomas Stuttaford, a former Member of the House, movingly recorded his experiences, the *Daily Mail* and *The Sun*, because such information—much of it is also available on the net—can help? Opposition Members' flippant attempts to create a scare about this sensitive and difficult subject are unworthy. Will the Minister also encourage all her male colleagues to get a grip on themselves and carry out the necessary examinations to assure the House that in their lower parts—the waste disposal and other relevant organs—they are not suffering from the ridiculous cancer that seems to trouble so many Opposition Members?

Yvette Cooper: I am not sure that it is possible to add anything to that advice.

Madam Speaker: On that note, we move on.

Point of Order

3.30 pm

Mr. Andrew Robathan (Blaby): On a point of order, Madam Speaker. In the Chamber yesterday afternoon during the speech by my hon. Friend the Member for Stratford-on-Avon (Mr. Maples), the Minister of State, Foreign and Commonwealth Office, the hon. Member for Leeds, West (Mr. Battle), asked him to confirm that, during the state visit of the President of China,

"no one was charged or countercharged, and no one has reported having been arrested or charged as a result of the visit".—[*Official Report*, 22 November 1999; Vol. 339, c. 378.]

That did not ring true, so I went back to *Hansard* and discovered that on 5 November, at column 366, the Minister of State, Home Office, the hon. Member for Norwich, South (Mr. Clarke), in a written answer to the hon. Member for Stroud (Mr. Drew), said that within the Metropolitan police area alone, 15 people had been arrested in connection with that visit.

Madam Speaker: What does that point of order have to do with me?

Mr. Robathan: I wondered how that discrepancy between two ministerial answers can be corrected.

Madam Speaker: It can be corrected by either tabling a further parliamentary question or an early-day motion drawing attention to it. That has been done before.

Orders of the Day

Debate on the Address

[Fifth Day]

Order read for resuming adjourned debate on Question [17 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—[*Dr Jack Cunningham*].

Question again proposed.

Home Affairs, Education and Employment

3.32 pm

Madam Speaker: I have selected the amendment in the name of the Leader of the Opposition, and I have imposed a 15-minute limit on the speeches of Back-Bench Members.

Miss Ann Widdecombe (Maidstone and The Weald): I shall endeavour to set an example in my speech, Madam Speaker.

I beg to move, as an amendment to the Address, at the end of the Question to add:

"But humbly regret that the Gracious Speech makes no mention of the fact that the number of police officers in England and Wales has declined by more than 1,000 since the General Election, that a large proportion of the Government's measures have been ineffective, that crime is rising in many areas of the country and that, despite the large number of Home Office Bills listed in the Gracious Speech, there are hardly any measures to combat crime; further note the chaos in the Home Office over the past year which has been caused by the Government's mismanagement; deplore the Government's proposals to abolish the right to elect trial by jury; believe that the Government's proposals for Freedom of Information will result in greater secrecy; further regret the failure of the Government to reduce the burden of bureaucracy and regulation which places unnecessary restrictions on teachers and schools, particularly at a time when class sizes are rising, deplore the increasing centralisation and interference by Government evident in the measures contained in the Gracious Speech and condemn the failure of the Government to include any measures in the Gracious Speech to improve standards in schools; and call for effective scrutiny of the other measures proposed in the Gracious Speech to ensure that common sense prevails."

In proposing the amendment in the name of my right hon. Friend the Leader of the Opposition, I am mindful of what he pointed out last week, which is that the Home Secretary has topped this year's league of incompetence. He is this year's winner of the prize, which is obviously so coveted by Labour Ministers, for departmental messes, ineffective legislation and ministerial bungling—so much so, that he even managed to beat the Deputy Prime Minister, the Minister of Agriculture, Fisheries and Food and the former Secretary of State for Health.

One can think of many ways in which the Prime Minister might have rewarded his Home Secretary for such a performance, but he has decided to reward him with the biggest raft of legislation in the Government's programme, and I am bound to ask whether that is wise.

[Miss Ann Widdecombe]

The chaos that the Home Secretary and his team have caused during the past year does not bode well for their ability to take on board eight or nine new Bills.

Who can forget the passports crisis; the backlog of asylum applications which rose and rose and is still rising; the fiasco of the Home Secretary's completely misleading announcement on police numbers at his party conference; the fact that he completely forgot to include certain key parts in the prevention of terrorism legislation; and the utter farce of the spy-a-day revelations during the summer? Who can forget the Home Secretary's string of ill-judged comments, such as his famous views on people from Liverpool—"You know what scousers are like," he said, "they are always up to something."

We know what the Home Secretary is up to because more often than not his incompetence is all over the papers; a Home Secretary who has utterly failed so far to make any impact on the significant number of matters that are covered by his brief. For example, let us take his flagship measures included in the Crime and Disorder Act 1998 which have been complete flops. Not a single child curfew order has been issued after more than a year. The Home Secretary has been forced to announce that he will amend legislation that he introduced because no one uses it. Only a handful of anti-social behaviour orders have been issued. It is possible to count the number of orders that have been used against under-18s on fewer than the fingers of one hand. Yet at the neighbourhood watch conference, the Home Secretary claimed that the measures, which remain unused by the courts after a year, help to improve life in local communities.

What about the home detention curfew scheme under the Crime and Disorder Act 1998? It allows convicted criminals to get out of jail early. Those who are sentenced to six months get out in only six weeks. More than 2,000 convicted criminals are currently enjoying life in their own homes because they have been released early with electronic tags. Instead of improving the life of local communities, the Home Secretary is improving criminals' lives.

The Secretary of State for the Home Department (Mr. Jack Straw): Will the right hon. Lady explain why the Conservative members of the Select Committee on Home Affairs supported home detention curfew?

Miss Widdecombe: Yes. We always supported tagging as an alternative to prison—indeed, I supported that when we were in government. We do not support tagging as a means of releasing prisoners early. There is an enormous difference between seeking alternatives to prison and releasing people, who, according to the judge, should remain in jail. Will the Home Secretary deny—

Mr. Straw *rose—*

Miss Widdecombe: I shall give the Home Secretary an opportunity in a moment to deny that many people who have been released from prison are convicted of offending while tagged. Some offences are not minor; they include crimes as serious as burglary and assault. Will the Home Secretary apologise to the victims of those crimes?

Mr. Straw: Home detention curfew has a success rate of 95 per cent., which far exceeds that of almost any measure that the previous Administration introduced. The right hon. Lady evaded my earlier question about the Select Committee on Home Affairs, which backed home detention curfew in respect of early release of prisoners—the exact provision that was included in the Crime and Disorder Act. Why did the Conservative members of the Committee back that provision?

Miss Widdecombe: I have made our view on tagging extremely clear. Will the Home Secretary apologise to the victims of serious offences committed by those who have been let out of prison early? I am prepared to give way, but the Home Secretary will not apologise. That clearly sums up his scale of priorities.

Against that background, it is no wonder that the sustained fall in the crime rate that began in the early-1990s under the previous Government is now grinding to a halt. It is no wonder that crime increased in 14 police areas last year and that violent crimes rose by 11 per cent. across the country. Yet the Home Secretary describes the figures as good news. How does a rise in crime of more than 4 per cent. constitute good news for the people of Merseyside? How does an increase of 5 per cent. represent good news for the people of Thames Valley? How is a rise in crime of nearly 7 per cent. good news for the people of Greater Manchester?

We learn that this year's figures are likely to be even worse.

Helen Jones (Warrington, North): If the right hon. Lady is so worried about crime figures, why has she failed to apologise for the doubling of crime figures under the previous Government?

Miss Widdecombe: As I have pointed out, crime fell throughout the last Parliament of our term in office. According to the Government's figures, we introduced measures that led to a fall in crime. That fall has not only seized up but is reversing. The Labour Government should apologise—they came to power on the basis that they would be tough on crime and tough on the causes of crime. Yet they have been weak on crime and tough on crime fighters.

Mr. Ian Bruce (South Dorset): My right hon. Friend will probably recall that the previous Conservative Home Secretary was criticised for locking people up for longer. He was told that that would not work, but crime came down. With this Home Secretary letting people out early and trying to stop people being sent to prison, and with crime figures going up, do we not have absolute proof that the previous Conservative Home Secretary and the Conservative party are right on detention?

Miss Widdecombe: It seems to me to be simple common sense that the crime rate will fall if offenders are taken off the streets and put into custody. That is exactly what happened during the last Parliament of our term of office. However, next year's crime figures are likely to be even worse—the Metropolitan police statistics show a rise in crime in excess of 15 per cent. for the first quarter of 1999–2000. Perhaps the Home Secretary will tell us that that is good news for the people of London, but no Bill in the Gracious Speech directly tackles the problem of rising crime.

I shall go so far as to welcome the Government's measures on the drug testing of offenders, but much more could have been done and still has to be done. What is more, I should welcome more detail from the Home Secretary today—it need not be fine detail, but further information at least—on what will happen to those who are tested for drugs when they have been arrested for an unrelated offence. Will they suffer stiffer penalties? Will a consecutive sentence definitely be given? What will be the outcome of simply establishing what most people would already expect to be the case—that a lot of those arrested are involved in drugs? Having established that, what will he do to tackle the basic problem?

The Secretary of State for Education and Employment (Mr. David Blunkett): Can the right hon. Lady tell us how the newly enunciated Conservative party policy, described this morning by the shadow Secretary of State for Education and Employment, of reducing and abandoning exclusion targets—which will lead to more children being on the streets and committing and learning about crime—will help to reduce the crime rate in Britain?

Miss Widdecombe: First, that is a distortion of the policy of my hon. Friend the Member for Maidenhead (Mrs. May). Secondly, we have stated clear policies on how we would tackle drug taking among young persons. For example, we have pledged that the "three strikes and you're out" penalty, which we introduced for those convicted for a third time of pushing hard drugs, will in future extend to those pushing soft drugs when the recipient is a child. Indeed, we are actively considering extending the automatic life sentence for a second offence of pushing hard drugs when the recipient is a child. *[Interruption.]* I am sorry that Labour Members find that funny; I do not think that the parents of children involved in drugs will find it at all funny. In the same way that I have chosen to welcome the drug testing announced by the Home Secretary, I would have thought that he would also welcome—and, indeed, take on board—the measures that we are suggesting to inflict more severe penalties on those who push drugs to children.

Mr. Humfrey Malins (Woking): On youth crime, does my right hon. Friend agree that the Labour party's much-vaunted anti-social behaviour order has proved a complete and utter flop? Last year, the Government advocated that measure as the cure for everything, but fewer than 20 have been issued. If that is the best that Labour can do, it is not very good.

Miss Widdecombe: I agree with my hon. Friend absolutely, but perhaps I may return to the Home Secretary's record. He has cut police numbers; he has squeezed police budgets. In their election manifesto, the then Opposition said that they would get more officers back on the beat, but police numbers are down by more than 1,000 since the election. Police funding is set to rise by less than 1 per cent. before the next election. Instead of introducing a measure to increase the number of police officers, the Government propose in the Gracious Speech to abolish the right of defendants to choose trial by jury.

In the last Parliament, these words were uttered:

"Surely, cutting down the right to jury trial, making the system less fair, is not only wrong but short-sighted, and likely to prove ineffective."—[*Official Report*, 27 February 1997; Vol. 291, c.433 .]

Those were the words of the Home Secretary just two years ago, about a measure that he described as unfair, wrong, short-sighted and ineffective—presumably, business as usual at the Home Office.

When the measure was first proposed in 1993, the Attorney-General wrote in *The Times*:

"This would be madness . . . I hope that Parliament will refuse to countenance legislation of this kind."

I look forward to hearing the Attorney-General's retraction of those comments when he speaks on this measure in another place. Or perhaps he does not want to, for the Home Secretary has given control of the passage of this important legal measure not to the Government's top lawyer but to Lord Bassam, a Minister who is, going by his record so far, very ineffective. Can we be sure that the Attorney-General is entirely in accord with the Home Secretary on this issue, and that he will be voting with the Government?

Lord Steyn, the serving Lord of Appeal, has said:

"This proposal has nothing to do with justice. It is a bad proposal."

It is, indeed, a bad proposal, and we shall oppose it. Jury trial is one of the traditional guarantees of liberty in the judicial system of England and Wales. Restricting the right to a jury trial will further erode public confidence in the whole criminal justice system. The Government's proposals will restrict the right of citizens and increase the power of the Crown Prosecution Service and the courts.

The offences in question are serious, including theft and burglary. The potential loss of reputation and employment suffered by persons of previous good character convicted of such offences is an argument for allowing them the absolute right of election. Magistrates will end up taking on more complex work from the Crown court—work that they have not been used to handling. The number of appeals from the magistrates to the Crown courts will no doubt increase, leading to further delays.

Ms Claire Ward (Watford): Will the right hon. Lady give way?

Miss Widdecombe: No. How many appeals will follow the decisions of magistrates on the venue for trials? Surely that will introduce even more delays into our system. *[Interruption.]* The Minister of State, the right hon. Member for Brent, South (Mr. Boateng), castigates me for not giving way. Yet only a moment ago he said, from a sedentary position—from which we have had many contributions—that I had had my 15 minutes. The right hon. Gentleman should make up his mind.

What is the Home Secretary doing to allay the substantial fears that the proposals will adversely affect defendants from the ethnic minorities? The Institute of Race Relations said in its response to the Government's consultation—*[Interruption.]* Perhaps it will help, Madam Speaker, if I say that, having given way a number of times, and mindful of the limit that you have imposed on Back-Bench speeches, I do not propose to give way again unless it is to a Minister.

Mr. Dale Campbell-Savours (Workington): *rose—*

Madam Speaker: Order. The hon. Gentleman is not yet on the Front Bench.

Miss Widdecombe: The hon. Gentleman would be an adornment to the Front Bench, and I deeply regret that he is not on it. Nevertheless, I shall not give way to him.

I was asking how the Home Secretary would allay the fears of the Institute of Race Relations, which said in response to the Government's consultation that enacting the proposals would be seen as the Government turning their back on the lessons of the Lawrence inquiry.

The plea before venue measure that the previous Government introduced in the Criminal Procedure and Investigations Act 1996 is already having the desired effect. It has already led to a reduction in the number of cases committed to the Crown court for trial by way of election—from more than 26,000 cases, or 34 per cent. of either-way trials in 1994–95, to just over 18,000 cases, or 29 per cent. of either-way trials in 1998–99. In view of that trend, I submit to the Home Secretary that it is not necessary to abolish a fundamental liberty.

Mr. Campbell-Savours: Will the right hon. Lady give way?

Miss Widdecombe: Oh, all right.

Mr. Campbell-Savours: I knew that the right hon. Lady would give way. Will she explain something that I do not understand? Her deputy, the hon. Member for Ryedale (Mr. Greenway), is sitting to her right, and I understand that he supports the Labour Government's position on this issue. Is that true? In a statement that is being circulated he is quoted two years ago as expressing support for my right hon. Friend's position?

Miss Widdecombe: Two years ago, we did not have the results of the plea before venue measure. We now have those results, and we believe that it is no longer necessary to abolish a fundamental liberty as we have already achieved the desired effect. It seems to me so simple, and if the hon. Gentleman does not understand something as simple as that, I am wrong and he would not, after all, be a suitable occupant of the Front Bench.

While we are on the subject of the Front Bench, the Minister of State, the right hon. Member for Brent, South, has admitted:

> "As expected, section 49 of the Criminal Procedure and Investigations Act 1996 ('plea before venue') had led to a decrease in the number of persons committed to the Crown Court for trial."—[*Official Report*, 1 July 1999; Vol. 334, c. 251.]

He has admitted that what we did has produced the effect that he was seeking. Therefore, he is wholly wrong to proceed with a measure that was originally proposed to produce exactly that effect.

It is worth noting that delays in the system are not caused only by the defendant electing a Crown court jury trial, as the hon. Member for Workington (Mr. Campbell-Savours) well knows. He will know that delays are caused by witnesses not turning up on the appointed day, the prosecution or defence being insufficiently prepared—I am sure the Home Secretary knows all about that—and lawyers being held up because other cases have overrun.

There is no guarantee that the proposals will save money or reduce delays. The right of appeal to a Crown court judge on the venue of the trial as decided by the magistrate will inevitably introduce new delays into the trial process. We overcame the old set of delays by a different measure, and now the Home Secretary is introducing a fresh set.

What do the people of this country want? I do not think that they want a Government who are keen on eroding their fundamental rights. They want a Government who are ready to tackle crime and back the police. In the Gracious Speech, the Home Secretary and the Government portray themselves as champions of freedom of information, but they have dramatically climbed down from their original proposals of two years ago. Although they say that they are in favour of freedom of information, their proposals will, in fact, make matters more secret than they are at the moment.

The Freedom of Information Bill includes a large number of exemptions. The Government's so-called information commissioner will not have the power to compel the disclosure of information on the grounds of the national interest. Officials will continue to decide what information should or should not be released. If that is the Secretary of State's idea of open government, he should go right back to the drawing board and start again.

Mr. Simon Hughes (Southwark, North and Bermondsey): The Tory party did not propose a freedom of information Bill when it was in office. Does the right hon. Lady support the test of prejudice or substantial prejudice? Does she believe that the information commissioner should be able to order disclosure? Above all, does she believe that the facts and figures informing advice to Government should be put in the public domain?

Miss Widdecombe: First, it is not true to say that the Conservative Government did not seek greater freedom of information. We introduced open government measures. [HON. MEMBERS: "Oh."] Well, the proof of that will be in the analysis, in which there will be a great deal of interest in the country. If we had built on our open government measures, we would have ended up with far more freedom than we will under the Government's proposals. They have decided to change the test that they originally proposed on whether information will be released, and as a result more information will stay secret.

Yes, we have detailed proposals, which will be made available shortly, on compelling disclosure, on what the test will be and on how we will ensure that everybody has access to an ombudsman—not just people who can afford the courts, which is what the Home Secretary wants.

Having decided to make things more secret and called that freedom of information—having decided to change the test that they were imposing—the Government still describe this as a Bill for greater openness. That is typical of the smoke and mirrors of which the Home Secretary is so fond: a man who has evidently decided to rid himself of the reputation that he once had for absolutely straight dealing, and who has gained a reputation for listening more and more to the spin doctors who are running Labour's lie machine.

We will, of course, also oppose much of the rest of the Government's legislation. Racism has no place in our society, and we are committed to tackling it; but we will look with interest at the Government's race relations Bill. As for the police service, we must ensure that we do not impair operational effectiveness in the fight against crime. We will welcome, and indeed already welcome,

the proposals to make anti-terrorism legislation permanent throughout the United Kingdom, but we will look carefully at the detail of the Government's proposals, and especially at the definition of terrorism in the Bill.

As for elections, we will seek to ensure that we have fair referendums, rather than the type of referendum that the Government seem keen to establish, in which all the advantage would be with one side. We will also seek to ensure that the Government do not rush through proposals for voting reform which were published only last month, but which will be given a Second Reading next week without due care and thought.

All those measures—eight or nine of them, as I have said—are being introduced by a Home Secretary whose competence has been utterly discredited, and who has still not answered the serious questions that have been raised about his judgment. Why—I ask the right hon. Gentleman this question again, because he will not answer it—did he never correct reports that appeared in the media after his conference speech saying that police numbers would be going up, when he and his friends in the Treasury knew very well—*[Interruption.]* Labour Members do not like hearing this, but they are going to hear it again and again.

Is not this Queen's Speech yet another example of the way in which the Government are content to let police numbers go down and crime go up? Is it not yet another example of the way in which they have—as the chairman of the Metropolitan police branch of the Police Federation has said—betrayed the police service and the people of this country?

The Home Secretary says one thing and does another. He talks tough, but he acts weak, as he thinks weak, as he is weak. It is time for common sense.

3.58 pm

The Secretary of State for the Home Department (Mr. Jack Straw): When I first read the Opposition motion, I thought that it must be some kind of joke, but a joke so poor that not even the Leader of the Opposition would have used it last week. I invite my right hon. and hon. Friends to look at it. Reading it, one might be forgiven for believing that the last Conservative Government had never existed—that their tenure was an imaginary event cooked up by Millbank. The right hon. Member for Maidstone and The Weald (Miss Widdecombe) and her friends are the living remnants of that discredited Administration. They were in office then, and they are here in opposition now. It is not only the sleaze of those years that remains to haunt them.

The Opposition amendment contains such gems as

"the number of police officers in England and Wales has declined by more than 1,000 since the General Election".

That implies that, under the Conservatives, the number of police officers never went down; yet it fell in 1992, 1993, 1994, 1996 and 1997. The right hon. Lady presided over a cut of 2,000 in the Metropolitan police service alone.

Mr. John Greenway (Ryedale): So have you.

Mr. Straw: No. One of the first steps that I took was to ensure, as police authority for London, that after the 1997–98 budget set by the right hon. Lady, the Commissioner of Police of the Metropolis had sufficient funds to maintain a stable level of officers in the Metropolitan police service.

The right hon. Lady had the audacity to complain that police funding would rise by only about 1 per cent. in real terms over the next two years—I think that that is what she said. According to independent figures from the Chartered Institute of Public Finance and Accountancy, since 1992 police spending has fallen in real terms in only one year. That was in 1995–96, when she was a Minister in the previous Administration.

Mr. Eric Forth (Bromley and Chislehurst): Will the Home Secretary give way?

Mr. Straw: I will give way to the right hon. Gentleman in a moment, but I ask him to hear the following point because he may learn something.

The amendment further notes—we had a bit more of this in some insults from the right hon. Member for Maidstone and The Weald:

"the chaos in the Home Office over the past year . . . has been caused by the Government's mismanagement".

I have never suggested that I would achieve perfection in running the Home Office. I am glad to see the right hon. and learned Member for Rushcliffe (Mr. Clarke) laughing at that. The only Home Secretary who ever achieved, or approached, perfection was the predecessor who lasted just five days in the job. Perfection and being Home Secretary for more than five days is a contradiction in terms.

Such criticism comes ill from the right hon. Member for Maidstone and The Weald, who was, after all, a Home Office Minister during a period of mismanagement that I can never match. I ask my hon. Friends: who was the Minister—

Miss Widdecombe: Will the Home Secretary give way?

Mr. Straw: I will give way to the right hon. Lady in a moment. She can answer the following questions. Who was the Minister for prisons who defended the practice of shackling pregnant prisoners in hospital? Who was the Minister for prisons who piloted an asylum Bill that left chaos in her county of Kent? Who was the Minister for prisons who released more than 500 prisoners early by mistake in the summer of 1996? All the right hon. Lady has to do is answer yes.

Miss Widdecombe: I was the Minister when asylum applications fell by 40 per cent. I was the Minister when crime fell for more than four years. I was the Minister when passports were being administered so that people could actually go on jolly holiday. That was our Government's record. The present Government's record is a doubling in asylum applications, rising crime, falling police numbers and chaos in the Passport Agency. Who is the Home Secretary who has presided over all that?

Mr. Straw: The right hon. Lady had her chance to make a speech. I thought that she was going to ask me a question.

The amendment then deplores

"the Government's proposals to abolish the right to elect trial by jury".

I am willing to accept that the proposal needs careful explanation, and will explain the policy in some detail to hon. Friends who may have doubts about the proposal,

[Mr. Straw]

which I confess—I am on record as saying it—I had doubts about once, but it is worth bearing in mind from who and from where the proposal first came. It initially came as a recommendation from the royal commission on criminal justice, which was established by the previous Administration. Later, a measure was put before the House for consideration, with much sympathy, but not final commitment, from the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), the former Secretary of State for the Home Department.

It is extraordinary that the right hon. Member for Maidstone and The Weald should now come here as the defender of the right to jury trial. I remind her that, when the issue of spies arose, she was demanding not that there should be trial by jury, or even that there should be trial by magistrates. Her demand of me was that there should be trial by denunciation—no trial. She said:

"If there are any more traitors like this one"—

not alleged traitors, not unconvicted traitors, but traitors—

"living freely without being prosecuted, we should be told. Parliament should be told all the names and the reasons why they were not brought to justice, unless there were security reasons for doing so."

The punchline in the Opposition amendment is on open government. A short while ago, the right hon. Lady—a member of a party that brought us the BSE cover-up and the arms to Iraq scandal—dared to stand up and say, "We introduced open-government measures." Although there is always time for sinners to repent, and we welcome converts into open arms, particularly on freedom of information, I should just remind the right hon. Lady and the House what the Conservative party said in its 1997 general election campaign guide. It said:

"The only group in Britain who are seriously interested in a freedom of information Act are inquisitive leftwing busybodies".

If the cap fits, the right hon. Lady can wear it.

The Opposition's job is, of course, to oppose the Government of the day. However, as we discovered—it was a hard and long route of discovery—a good Opposition must have credibility if they are properly to be a Government in waiting. We heard no indication of such credibility today.

Mr. Ian Bruce: The right hon. Gentleman knows that my constituency contains a number of penal establishments, and believes that they work very well. He also knows that, the other day, in a spirit of support, I appeared on television to deal with accusations by the Howard League for Penal Reform that staff at Portland had beaten up young people. I was surprised that no one from the Home Office was similarly willing to run to the defence of those staff and appear on television. Is something wrong in Portland, or does the right hon. Gentleman not support those staff?

Mr. Straw: I commend the hon. Gentleman for the support that he has given to those penal establishments. I remember the courageous support that he gave to the right hon. Member for Maidstone and The Weald, and subsequently to me, to ensure establishment of HMP Wear—which has turned out to be a success, as was anticipated by some people, but by no means by everyone.

I think, however, that the hon. Member for South Dorset will find that his comments on Portland were wrong. I know for certain that Martin Narey, the Prison Service Director General, himself appeared on television to defend both the action at Portland and the changes that have been introduced there. There has also been an inspection of Portland by the chief inspector of prisons and his staff. I anticipate that that report—which has not yet been before me—will not be consistent with the rather extravagant claims made by the Howard League for Penal Reform. I shall be very happy to discuss the matter with the hon. Gentleman.

Mr. John Bercow (Buckingham): Does the right hon. Gentleman accept that it would be heartening if a change of heart by him on jury trial were the result of the provision of new empirical evidence, and not simply because of a grubby, down-market and vulgar populism? We should always expect much better than that from him. If he accepts that, will he take this opportunity to confirm that, if evidence were to show that a reduction in jury trial would save the Exchequer money only at the price of increased risk that innocent people would not get justice, he—as a pillar of high principle—would have nothing to do with it?

Mr. Straw: I shall leave aside the allegation of grubbiness, as the hon. Gentleman—whatever other faults he has—is always well-dressed, clean and scrubbed. As for being down-market, I can only say that he has turned that into an art form, and I certainly cannot compete with him. I shall deal later in my speech with the details of the proposals on mode of trial, but I can tell the hon. Gentleman now that there will be savings, although I do not believe for a second that any miscarriages of justice will follow from that. Of course, if some miscarriages of justice follow as a result of those changes—for reasons that I will explain, I do not believe that that will happen—we will have to think again about the proposals.

Mr. Simon Hughes *rose—*

Mr. Straw: I will give way in a moment, but meanwhile I shall make some progress.

In place of constructive, credible opposition we had from the right hon. Member for Maidstone and The Weald the usual assortment of vague commitments and vacuous promises. There was no explanation of how those were to be delivered, no suggestion of how they were to be paid for and no apologies for the appalling record of the Government of whom she was a member—a Government who presided over a doubling in crime and a slump in the number of convictions and who created chaos in our asylum system with two Bills which were designed to sort it out in the space of three years, but which did next to nothing to reduce discrimination in our society.

Miss Widdecombe: That is the second time that the right hon. Gentleman has mentioned chaos in the asylum system. Will he answer straight questions? Did not asylum applications fall by 40 per cent. in our last year in office? Was not that a direct result of the measures that we introduced? Did not the right hon. Gentleman refuse to implement some of those measures and has not the real chaos followed since we left office—a doubling of applications, a doubling of the backlog to 90,000 and such total complacency that in the summer serious disorder occurred in Dover?

Mr. Straw: Some of what the right hon. Lady has said about Dover is irresponsible and she will live to regret it.

If she is concerned about what happened in Dover, she should accept that the truth is that, as a direct result of her policies, disproportionate responsibility was placed on local authorities in Kent and London. She cannot escape from that, which is why there have been such problems in Dover and elsewhere. The Immigration and Asylum Act 1999 was designed to solve those problems. I remind her that, under amendment No. 118, tabled in another place, she proposed to delay the implementation of the Act to give back cash benefits even to in-country applicants from whom they were removed in 1996, and to pile pressure on local authorities in Kent and London.

The right hon. Lady wants to know why there is chaos. There are a number of reasons why there are difficulties in the immigration and nationality directorate. The single most important is the computer contract, the terms of which she signed in 1996 and into which we were locked. I shall remind her of what her colleague, the then Minister, Mr. Timothy Kirkhope said of that computer programme when he issued a press release to announce it on 27 March 1996:

"This programme offers a unique opportunity for transformation of the Immigration and Nationality Department. Benefits will include enhanced immigration control as well as significantly better service to the Immigration Department's many customers."

The simple truth is that the programme was ill-thought through and there were no contingency arrangements, but it was signed by the right hon. Lady.

Miss Widdecombe *rose—*

Mr. Straw: I will take no lectures—

Miss Widdecombe *rose—*

Madam Speaker: Order. The Secretary of State has the Floor.

Mr. Straw: I will take no lectures from the right hon. Lady on the quality of administration.

In contrast to the vacuity that we received from the Opposition, our programme is rooted in the determination to improve the lives, freedoms and opportunities of the British people, to create a society in which individuals can exercise proper rights for themselves and their families and have clear responsibilities to others. To put it simply, it is to create a safe, just and tolerant society. Each of the nine measures contained in the Gracious Speech will help to build on the strong foundations that we have already put in place to tackle crime, modernise our system of government, combat discrimination and enhance our democratic process.

The right hon. Member for Maidstone and The Weald talks about the crime figures. If she wants to talk about the records on crime, she should start at the beginning of an Administration and finish at the end. For year after year from the beginning of her Administration, crime rose. It doubled in the 1980s. Since April 1997, recorded crime has fallen by 9 per cent. and, almost as important, the number of convictions has increased by 6 per cent. in only one year. We have put the Crime and Disorder Act 1998 in place. As a result, there are now 375 partnerships between police, local councils and others dedicated to reducing crime in every area. In the words of the chief constable of Thames Valley, the partnerships are

"a huge and very positive change".

We are investing £400 million over the next three years in tried and tested crime reduction programmes. We are increasing funds to the police: not only the £1.25 billion that we are investing under the comprehensive spending review, but the £35 million this year—and more to follow the year after that—for the 5,000 extra recruits over and above the numbers already planned. There is £34 million to expand the DNA database and £50 million to kick-start a revolution in police communications.

Miss Widdecombe: I have asked the right hon. Gentleman about the radio communications project before, and I would be grateful for an answer because it has a direct impact on what he was talking about. As I understand it, the police are being compelled to introduce it, the total cost is £1.5 billion, the Home Office contribution is £50 million and the police are naturally concerned that finding the rest of the cost will affect recruitment and other technologies and things that they could do. Will he at last give us a proper answer on this?

Mr. Straw: We have already. The right hon. Lady should read the answer given by the Minister of State, Home Office, my hon. Friend the Member for Norwich, South (Mr. Clarke), to her colleagues the week before last. The cost of the public safety radio communications project is estimated, at today's prices, at about £1.5 billion over 15 years. We expect all police forces to introduce it across the country. Given the history of failure in ensuring proper introduction of such measures, that is the only sensible course to take, and the one that she would follow if she were in government. We are not expecting the police service to pay all the costs above and beyond the £50 million that we have put in to kick-start the revolution in police communications. Of course, we accept that if additional funds are not found from elsewhere, it will affect police service budgets. That is why we have put in the £50 million to kick-start it. I remind her that we are at the beginning of a further comprehensive spending review for the period beyond 2001.

Mr. Phil Willis (Harrogate and Knaresborough): Can the Home Secretary guarantee that the money from the sale of frequency licences, which will be taken away from the police, will be given back to police authorities to fund the new communications system?

Mr. Straw: I wish I could give that guarantee, but, as the hon. Gentleman may know, the frequencies are in the possession of the Department of Trade and Industry.

Mr. Willis: I thought that the right hon. Gentleman was in favour of joined-up government.

Mr. Straw: We are, but sometimes, when it comes to cash, there is rather less joining up than in other areas.

Miss Widdecombe *rose—*

Mr. Straw: I shall give way to the right hon. Lady for the last time.

Miss Widdecombe: Do we understand that the answer that the right hon. Gentleman has just given is a guarantee that he will cover the complete cost of the project?

Mr. Straw: I have just explained that this is a project for 15 years. I am grateful for the right hon. Lady's confidence that I will be Home Secretary for the next 15 years. In the real world, she knows as well as anyone that Governments can plan spending for only two years for certain, with a third year after that. I am fully alive to the costs of the project and its impact on the police service if we do not find additional money. As proof of that, I have found, in addition to the CSR—this was not flagged up this time last year—the £50 million. It will come as no great surprise that I am involved in negotiations with my right hon. Friend the Chief Secretary to the Treasury to find some additional funds for the future.

The right hon. Member for Maidstone and The Weald said that there was no Bill to tackle crime. The Opposition's amendment says more or less the same thing. In fact, there are three Bills to tackle crime. The first is the crime and public protection Bill which will, among other things, extend drug-testing powers to those who are arrested and charged for drug and acquisitive crimes. Drug-testing inside prisons, a policy introduced by the previous Administration, and one which I endorse, has been extremely successful in reducing drugs misuse among inmates. We shall draw on that experience, and the new powers will also focus on offenders serving community sentences. Making community punishment more effective will be a key part of the Bill. It will lead to a major reform of the Probation Service. Enforcement of court orders will be improved and will raise the standards of dealing with offenders in the community. The Bill will also extend the use of electronic tagging as a punishment by the court.

Modernisation of the Probation Service is just one part of our modernisation of the criminal justice system. We said in our manifesto that we would release more police officers for operational duties, and that is what we are doing, not least by being active in pursuit of the Narey reforms. In the six pilot areas, the time taken to deal with adult offenders from charge to disposal has been cut by almost two thirds, from 85 days to 30. For young offenders, it was cut from 89 days to 37. Our drive will continue to ensure that we have a system that protects the rights of both defendants and victims and the wider community.

Mr. Simon Hughes: The Home Secretary is dealing with the criminal justice process. He knows that criticism is being made, not least from these Benches, that he is going the wrong side of the line as regards the liberties of the individual. We all agree that we should speed up the criminal justice process. That is moving in the right direction. The reason why many cases go to the Crown court is that magistrates send them there, but, in any event, the number is going down. Why do we have to take a risk with liberty by getting rid of jury trial when the evidence is at best disputed and, many of us would say, unpersuasive?

Mr. Straw: Let me come on directly to deal with that. I do not believe that we are taking a risk with liberty. I confess that, when I first looked at the matter—I make no bones about this—I took a similar view to the hon. Gentleman and many others in the House. However, as I have said outside the House, the more I have looked at the matter, the more I believe that the argument for change is overwhelming. Our proposal started as a recommendation from the royal commission on criminal justice, which was very distinguished and by no stretch of the imagination packed with people opposed to liberty. The recommendation was unanimous. It was supported by people such as Professor Michael Zander and the person who is now Baroness Usha Prashar.

One of the points that has certainly persuaded me is that we are almost alone among western jurisdictions in giving the choice of venue of trial to the defendant. It does not happen in other Commonwealth jurisdictions. It does not happen in Scotland where, oddly, the choice of venue is a matter for the prosecutor, not even for the court. I have heard no one suggest that the quality of justice in Scotland is therefore inferior to that in England and Wales.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend give way?

Mr. Straw: If I may make this point, first, of course I will give way, as ever, to my hon. Friend.

The only half-persuasive point that I have heard to differentiate the position in Scotland from that in England and Wales is that, in Scotland, non-jury trials are conducted by professional judges—sheriffs—who are in a position similar to that of stipendiary magistrates in England and Wales. That is an odd argument for people to make. Time and again it was said to me when I was at the Bar, and it has been said to me more recently by my colleagues, that the people from whom defendants get the toughest deal are notoriously those sitting alone who are judicially qualified—the stipes—and that the people from whom defendants get a slightly easier ride if they have a dodgy defence are the lay magistrates.

Moreover, to the extent that there is some justice in the point that is made in Scotland, what I and, more important, the Lord Chief Justice thought was a defect in the proposal from the royal commission was the lack of a route for interlocutory appeal against a refusal by the magistrates to transfer jurisdiction to the Crown court. In the Criminal Justice (Mode of Trial) Bill, with the full support of the Lord Chief Justice, we have provided exactly that interlocutory appeal so that the final decision on venue of trial will be made by a fully qualified judicial professional, namely a Crown court judge.

Mrs. Dunwoody: Does my right hon. Friend accept that many of us who are not lawyers and do not have the advantage of being distinguished professors of law, or indeed of being members of the Bar, have a considerable worry that this House, which has protected trial by jury for many hundreds of years, should abandon it on what may be—with the greatest respect to my right hon. Friend—somewhat doubtful legal grounds? We should be deeply worried if such a measure were to go ahead.

Mr. Straw: Of course I accept that colleagues on both sides of the House have anxieties about the matter—

so did I, and I take their concerns seriously. However, I hope that—if not today, because I have other points to make and I want to make some progress—

Mr. Robert Marshall-Andrews (Medway): Will my right hon. Friend give way?

Mr. Straw: I will in one moment. I hope that, outside this place and when the Bill is presented in the House, my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) will see that we have considered the matter carefully. For example, I have taken careful account of the arguments that the right of election helps black defendants and that its removal would discriminate against them. However, on the evidence, that would not be the case.

Mr. Marshall-Andrews: Does my right hon. Friend accept that "choice of venue" is a complete misnomer? It is not a choice of venue, but a right to jury trial—a right that one may voluntarily give up if one chooses. That is not a question of choosing between one or the other voluntarily.

Mr. Straw: Those are different ways of putting the same point. Of course, to return to the point made by my hon. Friend the Member for Crewe and Nantwich, the right of jury trial goes back to the middle ages—not that, in general, the middle ages act as a good exemplar for fair systems of trial. However, the right to elect for jury trial was an economy measure, introduced in Parliament in 1855—in no sense is it a fundamental right enshrined in our constitution.

Mr. Edward Leigh (Gainsborough): Will the right hon. Gentleman give way?

Mr. Straw: No, I want to make some progress.

In relation to constitutional measures, we promised to modernise the way in which the country was governed—to enhance people's rights and responsibilities and to ensure a fairer, more inclusive society. That is what we are delivering. We are bringing British rights home with the Human Rights Act 1998, to make public services more responsible and responsive to the concerns and liberties of individuals. The Act will be fully implemented next autumn. In this Session, we shall go much further, by introducing three measures in respect of the constitution.

As I am the first to admit, no political party has a monopoly on human frailty. We should all resist gratuitous intrusion into the private and family lives of public figures—as well as into the lives of private individuals. However, public confidence in the political process is bound to be undermined unless clear standards are set and enforced for the conduct by public figures and political parties of their public responsibilities. I am sorry to say that the resignation of Lord Archer as the Conservative candidate for the mayor of London is a timely reminder of why the Conservative party became so engulfed in sleaze.

The Leader of the Opposition may tell better jokes than his predecessor, but he is proving to be no better at sorting out the mess—no better and no more willing to face up to some unpleasant truths about people in his own party. It is now a bit late to refer Lord Archer to the ethics committee of the Conservative party, given the clear and detailed warnings with which the right hon. Gentleman was provided, not least by Mr. Michael Crick.

Mr. Simon Hughes: On a point of order, Madam Speaker. The right hon. Gentleman seems to be straying into areas that are well beyond both the Queen's Speech—[HON. MEMBERS: "Defending Lord Archer?"] I am defending no one; I am asking for a ruling as to whether such matters should be raised in this place, in this debate.

Madam Speaker: I am sure that the Home Secretary was developing a point by example. He is a long-standing Member of this House, and knows as well as I do about dealing with the motion and the amendment on the Order Paper.

Mr. Straw: Thank you, Madam Speaker, for anticipating my reply. Lord Archer was a major fundraiser for the Conservative party. On Monday's "Newsnight", George Walden, the former Member for Buckingham said:

"Inside the Conservative party, you know, the culture of toleration, to put it mildly, where people like him"—

Lord Archer—

"and Jonathan Aitken are concerned.

In his case—

that is Lord Archer—

"he's a celebrity populist with a hell of a lot of money. And the party is in constant need of money. So the Conservative party did not go out of its way, to put it mildly, to be too inquisitive."

Over 18 years, the Conservatives never went too much out of their way to be too inquisitive about where money was coming from, or the way in which political parties were to be funded.

Mr. Nick St. Aubyn (Guildford) *rose*—

Mr. Straw: I shall give way in a moment.

The Conservative party refused to legislate in that area, or even to refer the issue to the Nolan committee. The Opposition now say that they welcome our proposals following the recommendations of Lord Neill but, before the general election, the right hon. Member for Maidstone and The Weald and her party fought tooth and nail to avoid the airing of the issue in this way.

Even after the election, in evidence to the Neill committee, the Conservative party continued the same old evasion, the same old secrecy. Here are some quotations from the evidence that the Conservative party gave to the Neill committee:

"We believe that there is a perfectly honourable case to be made for anonymity . . . We believe that there is an argument in favour of a form of blind trust . . . we reject the argument that company donations should be treated in the same way as those of trade unions."

It has taken a Labour Government to take action and begin to restore the public's faith in the system of party funding.

Miss Widdecombe *rose*—

Mr. St. Aubyn *rose*—

Mr. Straw: I give way to the hon. Gentleman.

Mr. St. Aubyn: The Home Secretary spoke about a lack of inquisitiveness on the part of the Conservative

[Mr. St. Aubyn]

party. Does he regret the fact that he and other Ministers failed to be more inquisitive about the source of funds for the purchase by the then Secretary of State for Trade and Industry of a house in Notting Hill, and can he identify any instance where a Minister in a Conservative Government resigned in disgrace and was back on the Front Bench within 12 months?

Mr. Straw: My right hon. Friend the Secretary of State for Northern Ireland, to whom I think the hon. Gentleman is referring, made a full disclosure. He paid a very high price for that. It would be straying too far from the terms of the motion to get into some of the murkier history of the Conservative party, but if the hon. Gentleman thinks a bit about some people who resigned, as he said, in disgrace and came back, he will remember that that did happen between 1979 and 1997.

Our political parties, elections and referendums Bill will deliver on our manifesto commitments to end foreign donations and ensure disclosure of large donations, as well as spending limits for elections, a new independent electoral commission and shareholder approval for company donations.

Extraordinarily, the right hon. Member for Maidstone and The Weald claimed that we were being unfair with our proposals in respect of limits on referendum spending. I say two things. First, we are going beyond the recommendations of the Neill committee to establish limits on referendum spending. Neill said that they were impractical; we did not accept that. Secondly, I have worked hard to try to ensure that the limits are fair. As far as I can judge, it is not possible to have a single limit for one side or another in a referendum campaign; experience in Canada suggests that.

I want, if I can, to achieve arrangements that are agreed by all parties. The right hon. Lady has had a very long time to respond to our White Paper on that, but I say to her again: if she has proposals that she considers practical, I shall be very happy to sit down with her and discuss them, to see whether we can find a way through on this.

The Representation of the People Bill will make important changes to the way in which we vote. In a badly researched speech, the right hon. Lady said that we should not rush the proposals in the Bill because we published the Bill only last week. That is true; we did publish it only last week, but it is based on the unanimous recommendations of the final report of the working party on electoral procedures—chaired by my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), who was then the Under-Secretary of State for the Home Department—on which sat representatives of the Conservative party. They are signed up to those recommendations.

I wrote to the right hon. Member for Maidstone and The Weald. She sometimes complains about the time that it takes to obtain from the Home Office a reply on a difficult immigration case; I do not blame her. I wrote her a simple letter, saying, "I assume that, as you have signed up to this, you will be supporting the Bill." I have reminded her about that but, although months and months have passed, we have had no reply. She is running only a small business compared to the big businesses that we are trying to run.

The Minister of State, Home Office (Mr. Charles Clarke): Is there anything on "The Widdyweb"?

Mr. Straw: I am glad that my hon. Friend has mentioned "The Widdyweb", because I had almost forgotten about it. I have now trawled through "The Widdyweb" and, if I were a sensitive soul, I would think that the right hon. Lady had something of an obsession with me—but one can only live in hope. However, whatever search engine one uses to trawl through "The Widdyweb", there is not a word about the Representation of the People Bill, nor about when I will get a reply to the letter that I sent her months ago.

The Representation of the People Bill is an important advance. It will enable local authorities to pilot schemes to test the effectiveness of weekend polls and electronic voting in supermarkets and railway stations. There will be a new rolling register and better arrangements for voting by post.

All of us have an interest in ensuring that as many of our constituents as possible take part in the electoral processes. I very much hope that, despite the indolence of the right hon. Member for Maidstone and The Weald in replying to my letter, the Bill will receive widespread support.

As we know, a key part of our constitutional programme this Session is the Freedom of Information Bill. I have listened to the concerns of the Public Administration Committee and of the Committee in the other place, and the Bill has now been published. However, I am aware that my hon. Friends and Opposition Members may have continuing concerns about the Bill and I look forward to a lively and rigorous debate on it.

Mr. Simon Hughes: I understand, and the Home Secretary will have the same knowledge, that a draft Bill or proposal on this subject is likely to be published in Edinburgh this week. There will, therefore, be a debate on both sides of the border on freedom of information. If, in the light of that debate, it becomes clear that there is a very strong case for improving the Bill along the lines recommended by both Select Committees—one in this House and one in the other—can the Home Secretary at least tell the House that his mind is not closed and that the Home Office will be open to extending the freedom of information provisions?

Mr. Straw: My mind is not closed on this issue; my critics should at least give me the benefit of the doubt on that. The issue is about securing difficult balances. If the argument made in Edinburgh or anywhere else is strong, we should change, but we should not change because the argument is made in Edinburgh. Instead, we should celebrate the fact that devolution means difference and diversity, and let us be absolutely clear about that.

Tackling discrimination and promoting equality have long been at the heart of the Labour party's vision of a fairer society. It was my party that introduced the ground-breaking race relations legislation of the 1960s and the 1970s—legislation which has made a valuable and

positive contribution to British society. I am proud that it is a Labour Government who are introducing a further measure this Session.

The inquiry into the tragic death of Stephen Lawrence recommended that the police should be fully subject to the Race Relations Act 1976. We agreed, but felt that we should go further, because the Stephen Lawrence report was a criticism of us all, not just the police. The race relations amendment Bill will therefore extend the 1976 Act to cover all public services. It will make it unlawful for the police, the health service or any other public authority to discriminate directly on racial grounds in carrying out any of their functions.

That is only a start. I recognise the case for legislation placing a positive duty on public authorities actively to take steps to secure equality of treatment. We have already put in place an ambitious programme across government to achieve that, by setting targets for the recruitment, retention and promotion of black and Asian staff. That will be followed by further legislation as soon as parliamentary time permits.

Mr. Peter Bottomley (Worthing, West): Will the Home Secretary give way?

Mr. Straw: I am trying to wind up my speech, so I hope that the hon. Gentleman will forgive me if I do not.

I hope very much, given what the right hon. Member for Maidstone and The Weald has said, that she will be able—of course, she will want to see the text—to support the measures that we are introducing. I hope that, in doing so, she does not take the same view—I regret to say—as the shadow Chancellor. On "Newsnight", he was asked, with regard to the Government's policy on race relations in the Queen's Speech:

"Do you think they've gone a bit too far in this case . . . ?"

He replied:

"I think people listening to this will think that this has very little to do with the concerns that they have . . . this is a Queen's Speech which is full of legislation which does so little to address what people are really concerned with."

I do not accept that. Legislating on race relations is profoundly important, and I hope that the right hon. Member for Maidstone and The Weald will talk to her right hon. Friend.

Three other measures form part of the Gracious Speech. The Government will reintroduce the Sexual Offences (Amendment) Bill following the opposition to it in the other place in the previous Session. We are prepared to use the Parliament Act to ensure that the clear will of the House is established.

Through the prevention of terrorism Bill, we intend to deliver modern, permanent, UK-wide legislation which is effective and proportionate to the threat that the United Kingdom faces, and may face, from all forms of terrorism. It will ensure that individual rights are protected and it will be consistent with our international commitments. I am pleased to say, especially to my hon. Friends, that it meets two long-standing Labour party commitments: it will end altogether the powers in respect of exclusion of individuals within the United Kingdom and it will introduce a judicial element into extensions of detention.

The regulation of investigatory powers Bill will put into effect proposals in the consultation paper that we published in June. The Bill will continue strictly to limit the occasions on which communications can be intercepted.

As we heard from the right hon. Member for Maidstone and The Weald, the Home Office is responsible for a large proportion of the Government's legislative programme. No one can say that I do not take the House of Commons seriously. Despite, or perhaps because of, my advocacy of those measures, some of them may be controversial, and it is right that there should be extensive debate and scrutiny of each of those measures in this House. Each of those measures, however, will make the changes needed to build a better Britain. We are taking action on crime, modernising our democratic processes, tackling racism and discrimination and fighting terrorism. I commend all those measures, and the Gracious Speech, to the House.

4.42 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): We can without doubt agree that those of us who will be looking after home affairs matters in the coming year will have plenty to do. Whatever criticisms Liberal Democrat Members may make of the Home Secretary, we cannot criticise him for his success in obtaining about a third of the time in the Government programme for Home Office Bills and related Bills from the Lord Chancellor and the Attorney-General. I anticipate that my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) and my right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) will at some stage in the year be as busy as I will, trying to keep up with the breadth of Home Office legislation.

There is no doubt outside the House that the public are greatly concerned about the matters before the House today. I propose to concentrate on Home Office matters and related Bills, and I shall seek to be as brief as possible. I hope that my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) will have the opportunity to deal with the education matters that arise in the Queen's Speech and in the amendment in the name of Opposition Members including the Conservative Front-Bench spokesman on education.

The public rightfully want us to have law and order in our society. All parties fought the previous election on manifestos that contained significant proposals on crime, policing and prisons and for improving justice in the courts. We all devoted attention to drugs, which are a major contributory factor to crime and disadvantage. We all addressed the difficult questions of terrorism and how to deal with the large threats to our society.

The question arising from the Queen's speech and before the House is whether the Government are getting right the balance between strengthening the law and increasing the order, and defending the right of citizens who, in every case in which they are affected, are in a minority when confronted with the panoply of the powers of the state. Our charge against the Government is that, in a range of ways, they have stepped the wrong side of that line.

Parliament's job, particularly in a country where there is no written constitution and where Parliament must therefore be the defender of individual liberty, is to ensure, as much as any Opposition party can, that proposed legislation that trespasses on individual rights is altered before it completes its passage through both Houses. In the interests of creating a country that is at peace with itself, in which there is maximum harmony, lawfulness and liberty and maximum resistance to any

[Mr. Simon Hughes]

infringement of such liberty which the Government might propose, and where there is minimum crime and disorder, that is what we shall do.

It is popular with the Prime Minister and the Government these days to talk of governing in the interests of the many and not the few. I remind everyone that, on many occasions, in all our lives, we may be the few and not the many. The Government's job is to look after the few just as much as they do the many, in whatever walk of life. A minority of our citizens are immigrants, asylum seekers, black or Asian, children, lesbian or gay, mentally ill or disordered, or old. We are all minorities sometimes. The House's job is to ensure that the rights of minorities, as well as the interests of the majority, are defended.

One of the reasons why my colleagues are clear about the priority of the social justice agenda—as was our new leader, my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) when he spoke last week—is that, without greater equality, there cannot be greater liberty. Without the opportunity to enjoy proper housing, work and good health, the exercise of civil liberty becomes little more than theoretical.

Let me refer to the attack that the right hon. Member for Maidstone and The Weald (Miss Widdecombe) and her hon. Friends have mounted in their amendment. As the right hon. Lady knows, I agree with her on some things, and we and Conservatives Members will work together where we think that the Government are wrong.

Miss Widdecombe: How often will that be?

Mr. Hughes: We await clarification of some grey areas before we can answer that question, but on some matters, the right hon. Lady has made her position clear, and on some of them we and she—I hope—will work together, along with Labour Back Benchers who agree with us.

Just as we have seen outside the House this week a new attempt to whitewash figures from the Tory party's past, we are today witnessing a Tory party that wants to airbrush out the facts from its past. I shall not embark on a litany of the kind that the Home Secretary had prepared, but it is difficult for the Tory party to argue that their record on home affairs, on law and order and on crime and convictions is easy to defend.

From 1979 to 1997, recorded crime rose hugely, reaching its all-time peak in 1992. Between 1979 and 1996, convictions fell. One defendant was found guilty for every eight crimes in 1985, but for every 14 crimes in 1997. An extra 1,000 and an extra 5,000 police officers were promised in 1992 and 1995 respectively, but when the Conservatives left office, the number of police—as compared with 1992—had fallen. An Audit Commission report in 1996 said that the youth justice system was less effective than it had been 10 years previously.

Those figures do not take into account the litany of events that the Home Secretary, the Liberal Democrats and others could cite: the Derek Lewis affair; the hundreds of prisoners who were released by mistake—a fact to which the Home Secretary referred; the shackling of pregnant women prisoners; and the administrative chaos in the immigration and nationality directorate. Indeed, as Home Secretary, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) was in and out of court more often than anyone I have ever represented or seen in my constituency.

Miss Widdecombe: What about the current Home Secretary?

Mr. Hughes: The right hon. Gentleman has only been in office for two and a half years and has admitted that his term has not been guilt free, but his record of court appearances so far is considerably less than that of his predecessor, who seemed to be more often in court or represented in court than in the House. As for party funding, it is difficult for the Tories to argue that the way in which some members of their party funded themselves individually, let alone the way in which the party funded itself collectively, is anything of which they can be proud or that the House would want to be repeated.

Miss Widdecombe: Is it not true that crime fell in the last four years of Conservative Government, and were not those falls more substantial than the falls that have occurred under the Labour Government? Will the hon. Gentleman tell us, using the Home Secretary's own measurement from the beginning of an Administration to the end, whether or not the number of police rose by 16,000? Will he confirm that throughout the last few years of the Conservative Government—the period to which he refers—the number of constables rose steadily? Will he say whether or not that is correct?

Mr. Hughes: I do not want the debate to focus on statistics, but I shall answer the right hon. Lady's questions briefly. From 1979, when the Conservatives took office, to 1997, when they left it, recorded crime rose from 2.5 million crimes to about 4.5 million—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. The right hon. Member for Maidstone and The Weald (Miss Widdecombe) asked the questions and must allow the hon. Gentleman to answer them.

Mr. Hughes: The figures on convictions are that, in 1979, there were nearly 2 million, whereas in 1996, just before the Tories left office, there were slightly fewer than 1.5 million. As for police numbers, 1,000 extra were promised in 1992 and 5,000 in 1995, but between the beginning of the last Tory Administration in 1992 and the end of that Administration, the number of police officers fell by about 500. If the right hon. Lady wants to choose periods selectively, as she has done, she is entitled to do so, and I do not dissent from her figures—but the Tories were in office for 18 years, they are judged on those 18 years, and the figures from those 18 years are clear.

Mr. Greenway: Basing his judgment on those 18 years, does the hon. Gentleman accept that there were 16,000 more police officers under the Conservatives? Even if he chooses to base his judgments on the five years of the last Conservative Parliament, does he agree that there were 2,400 more constables?

Mr. Hughes: The hon. Gentleman is correct to say that, over the whole period of Tory Administration, the number of police officers went up, not down. I always try to agree

on figures. Over the years, my hon. Friends and I have argued that we should have a common basis for Government statistics—one that does not allow misrepresentation. I would not disagree with the hon. Gentleman's figures, but I would argue strongly that he has chosen, for one purpose, one period rather than the whole 18 years of Tory Administration.

I am not trying to defend the Home Secretary, but I have to say that I am pleased that, under the current Government, convictions so far have risen and offences have fallen. Like my predecessor as home affairs spokesman, my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), I shall compliment the Government when their policies overall produce what people want: more convictions relative to the number of offences, and fewer offences. Other matters such as the number of people in prison or the number of police officers are elements relevant to assessing the success of government in producing policy solutions, but they are not themselves the solution. I hope that we will always be able to have an honest debate on such issues.

Mr. Andrew Rowe (Faversham and Mid-Kent): To revert to a different issue, the hon. Gentleman mentioned attracting funds for general elections. Does he agree that one of the biggest threats to the Westminster system of parliamentary democracy worldwide—whether in the United States, which I acknowledge uses a different system, in Commonwealth countries such as India, or in this country—is the fact that the cost of elections has risen so sharply that the collection of money to fund them makes all parties extremely vulnerable?

Mr. Hughes: I accept the hon. Gentleman's proposition. That is why we broadly welcome the idea that there should be an electoral commission. A Bill will come before the House that will regulate party political funding. We submitted our proposals to the inquiry that preceded that Bill. As the hon. Gentleman may know, and as many of my right hon. and hon. Friends certainly know, we are currently seeing the obvious exercise of the sort of political influence that he describes. A certain Mr. Sykes is spending a huge amount of money to argue a case that is clearly in support of one political argument. He is not even part of a party. We must ensure that the political process does not become the playground only of the rich, with the rest excluded. If we want to ensure that we have politics for the many as well as the few, we must ensure that the many can participate in the process: there must not be government by the few.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Hughes: If the hon. Gentleman will excuse me, I shall not. That is not because I do not want to give way to him but because I want to make progress.

I hope that the Home Secretary will understand that we wish to be fair in assessing the Government's successes, but that entitles us to be critical where we think they are failing. When we think that there should be more police and there are fewer, we shall say so. In that situation we shall seek to put pressure on the Government. When we think that there should be fewer people in prison rather than more, we shall say so. We shall put pressure on the Government. I make it clear also that when issues arise such as the one that came to our notice about a month ago when people who were seeking to protest against the visit of a non-democratic head of state appeared not to be allowed to do so, we shall protest. It is vital that the House holds the Home Secretary of the day to account for all the agencies of law and order so that they never again either exceed their powers, or appear to do so, to the detriment of our country's reputation for liberty.

Let me get one matter out of the way. A Bill will come before us—it will not be a Home Office measure but the Home Secretary made the relevant announcement at the end of the previous Session—to ban hunting with hounds. For the record, we welcome the announcement of the inquiry into the impact of that legislation on the countryside. As we stated in our manifesto—we shall also maintain our position from the Liberal Democrat Benches—colleagues will be entirely free to vote on the measure according to their conscience and with no party line required of them. It is an issue in respect of which there are acute conflicts of argument about liberty. Whatever side we each come down on, we must recognise that. There may be different views about what is thought to be the answer, but no one can say that others are not equally justified in reaching a different answer.

I calculate that in effect the Government have 11 Bills on Home Affairs-type matters. Technically, there are nine Home Office Bills. One Bill will come from the Attorney-General and the Lord Chancellor dealing with the Crown Prosecution Service and another Bill is the prerogative of the Secretary of State for Social Services but has home affairs implications since it deals with removing benefits from offenders.

Mr. Bercow: Go through each one.

Mr. Hughes: I shall certainly not do that at length. I shall utter about a sentence on each, apart from the two measures that I want to refer to briefly at the end of my speech.

The Government describe their Bill on crime and probation as their flagship measure. We welcome the introduction of a national probation service but we shall argue that there should be a service for Wales that is separate from the one for England. We welcome the proposal that there should be local administration within police area boundaries. We shall consider carefully the proposed extended powers of the probation service to ensure that the national service is able to do the job better than the present service.

In principle, we welcome the proposals that there should be a better way of dealing with children in court. However, we shall examine the details carefully.

We are less positive and much more sceptical about the proposal that there should be mandatory drug testing. Of course, if there is a link between the crime and drugs, those involved should be tested. If someone is arrested for a drugs-related offence, testing is appropriate. Where people are suspected of clearly using drugs or abusing them illegally, they should be dealt with. However, we believe that a general power to test everyone who is arrested and taken to a police station goes far too far.

If the technology permits, it should be possible to breathalyse for drugs, as well as for alcohol. Many people drive under the influence of drugs other than alcohol, and the sooner we have a common means of dealing with both, the better. That should apply not just to driver

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of cars, but to drivers of trains, pilots of planes and those who navigate vessels, so that everyone with responsibility for vehicles is subject to similar legislation.

Miss Widdecombe: I am grateful to the hon. Gentleman for giving way. While he is tackling an important proposal, does he see the answer to my earlier question? It is all very well to say that people will be tested for drugs, but what follows is crucial, and determines whether drug testing matters or not. The hon. Gentleman will be aware that penalties for the possession of drugs are very small. What does he believe should be done when people test positive for drugs?

Mr. Hughes: I shall deal with the right hon. Lady's question shortly.

We understand the need for the registration of investigative powers, but because it is a highly technical subject, we will scrutinise closely the extension of powers to deal with modern technology. We understand that that needs to be brought into accord with the human rights convention. It is right that there should be legislation, but we must not go over that line in taking liberties away as we regulate for the modern, more technological age.

My hon. Friends and I have proposed that counter-terrorism legislation should be placed on a UK-wide basis. I have always opposed a separate rule for Northern Ireland, as distinct from the rest of the country, and I have always opposed exclusion orders from one part of the country and not the other. We will therefore support the proposal for UK-wide legislation.

The issue that will detain the House, rightfully, is how we define terrorism. Although it is right to extend the definition to cover other sorts of terrorism, we must not legislate so hastily that we get things wrong, as the House did a year and two months ago when it legislated in haste in September 1998; nor must we make it possible in this country for people lawfully seeking to bring democracy to other countries—which 10 years ago might have been South Africa, and this year might be Pakistan—to be regarded as terrorists, simply because they are involved in advancing democracy through normal democratic processes. We shall seek to get the definition of terrorism right, although the principle of a general law for terrorism should remain.

We shall put a further proposal to the Home Office and to the House. Because such legislation is so particular and so exceptional, it should lapse every Parliament and need to be renewed every Parliament. That is a safeguard for everyone, not least the House, to ensure that the legislation is up-to-date and appropriate.

We support a Bill to bring independent government to the Crown Prosecution Authority. My hon. Friend the Member for Torridge and West Devon will take the details of the proposal up with appropriate Ministers as the Bill comes before the House.

There are four Bills that we support but which do not go far enough. The political parties and referendums Bill is an appropriate Bill, but we say that it should include the power to provide for referendums in the future. It is no good having, as the Government had in their manifesto, provision for two referendums, one on the electoral system and one on the single currency, but not having on the statute book a mechanism for holding referendums whenever Governments of the day decide to hold them.

It would be much better for the Government to legislate on the principle of how a referendum should be held, rather than mixing that up with the issue that will be the subject of the referendum itself.

On the funding of political parties, to which the hon. Member for Faversham and Mid-Kent (Mr. Rowe) referred, we welcome legislation, but on the detail there are differences of view around the House—for example, about whether people who live abroad but have a vote in the UK should retain the right to contribute to political parties.

Mr. Bercow: I have been listening intently to the hon. Gentleman's speech, but I am a little perturbed by what he has just said about referendums. Given his well-known, long-standing and widely respected concern for the integrity and fairness of our political procedures, does he not agree with the Conservative Opposition that there is grave cause for anxiety that, in respect of future referendums, the Government apparently plan to allow themselves the right to continue pumping out propaganda material at public expense and pushing it down the throats of the electorate right up until to 28 days before the date of a plebiscite?

Mr. Hughes: The hon. Gentleman raises an important matter which is clearly relevant because coming down the track is at least one referendum, and preferably two. We need a funding system that allows broad parity to the arguments. My hon. Friends who have argued that, not least my right hon. Friend the Member for Caithness, Sutherland and Easter Ross, have made it clear that we will take that issue up when the Bill comes before us. If we are to have referendums, the Government cannot seek to fix the outcome by weighting the argument with finance in advance. That must be the condition under which referendums are held.

We broadly welcome the reforms in the representation of the people Bill, but the Government have failed to include the one thing that would most encourage people to vote, which is for the result to reflect the way in which people voted—[Hon. Members: "Like the Euro elections."] No, not like the Euro elections, because the Home Secretary stuck to his view, rather than take the advice of my colleagues—

Mr. Greenway: The hon. Gentleman's party changed its mind.

Mr. Hughes: We never changed our minds.

The Home Secretary stuck to his decision to have an electoral system that, though proportional, did not allow the voter the choice that we believe the voter always should have, which was what we always wanted. In the end, we were all forced to accept half a loaf rather than have no bread.

We hope that the sexual offences legislation will pass through the House speedily, not least because the European Court has ruled that we should have such legislation. It is also right to legislate to deal with those who have abused a position of trust in relation to young people.

The Home Secretary conceded that the race relations Bill falls far short of many people's expectations. It is right that public services should be subject to the Race Relations Act 1976, but the Commission for Racial Equality and many others, as the Home Secretary knows, have argued that we need much wider revision of the legislation because it is now significantly out of date. We hope that we can persuade the Home Office to extend the Bill and we shall seek to do so.

However, I was encouraged by one sentence in the Home Secretary's speech. I hope that he will listen to us—I shall be happy to work with him to achieve it—and put on the statute book a Bill to achieve equality across the board. There is a good case for legislation that provides equality, not piecemeal—one day on race matters, another on disability matters and another on gender matters—which seeks to ensure that we have a society in which we do not unfairly discriminate at all and in which we honour across the board the words and intentions of the European convention as well as the aspirations of the British people. If, by the end of this Parliament, we had an equality Act, we would save ourselves a lot of work and meet the aspirations of many people.

That leaves the Freedom of Information Bill, about which I can be brief. It is wonderful, as far as it goes, but not when one considers it in the round. The previous Government never introduced such a Bill, although they had a code of practice. This Government started by introducing a timid Bill and have improved it, for which I thank the Home Secretary, but he knows the three criticisms that we make.

First, the test should be that information should be withheld only if it substantially prejudices the authority, rather than merely prejudicing the authority. Secondly, it is nonsense to withhold facts and figures—I accept that the Government need not, but they will retain the power to do so—although it is entirely right that the personal advice and internal political debate should be held behind closed doors. Thirdly, although the information commissioner will have the power to recommend, and by recommending to influence the outcome, I understand that it will ultimately be a dog that can bark but not bite.

I ask the Home Secretary—as he honestly accepted would be reasonable—to watch the progress of the Bill produced by his party and mine in Scotland. If the arguments—not just the fact of different legislation—justify the proposals that come from Edinburgh win the day here, I hope that he will accept that, if we are to have an open society and open government, we need to have on the United Kingdom statute book the best freedom of information Act. I hope that the Scottish example will teach us all a lesson.

The right hon. Member for Maidstone and The Weald reminded us that drugs are an important issue. The Minister of State, Cabinet Office answered questions on drugs at Cabinet Office Question Time on 10 November from what the whole House recognised as his personal, tragic experience. Given that recent experience, he was extremely brave in answering such questions. He said:

"The Government are in no circumstances complacent about drug misuse, and I hope that there will be all-party consensus on dealing with it."—[*Official Report*, 10 November 1999; Vol. 337, c. 1116.]

As my right hon. Friend the Member for Ross, Skye and Inverness, West, our new party leader, said, we want to hold a debate on drugs, and we also want the country to hold such a debate. We hope that we can persuade the Government and the other parties that independent advice should be given to the Government not only by a drugs tsar of today or an ad hoc commission of tomorrow, but—on a permanent basis—by a standing commission.

I hope that the Home Secretary and the House have noticed that we have slightly amended a long-term proposal: we now argue that there should be a standing commission on drug use and abuse. Its remit should include not only illegal drugs but tobacco, alcohol and solvents so that the whole of society can benefit from an informed debate and informed advice.

I refer the House to a recent speech by Mark Kleiman, who was formerly Deputy Director for Drug Control Programmes in the United States. He gave the 1999 annual Prison Reform Trust lecture, during which he said:

"When it comes to drugs, policy makers can be as single-minded as addicts in their belief that one more dose of the same old potion will this time miraculously make the world all right—at once. Resisting that tempting belief, it seems to me, is the beginning of wisdom".

Jackie Ballard (Taunton): Does my hon. Friend agree that when addicts decide to come off drugs, it is important that they have access to treatment and counselling as soon as possible? Only two weeks ago, a constituent who is a heroin addict and has been waiting 10 months for treatment came to see me. Does my hon. Friend agree that that is too long to wait, and that the Government should give more resources to health authorities to enable them to provide speedier access to treatment and counselling?

Mr. Hughes: Not only is my hon. Friend right, but that example requires joined-up government to tackle it. A huge amount of crime is caused by drugs and we must consider ways of dealing with that beyond the criminal context as well as in it.

Let us finally consider the proposed measure on the right to trial by jury. The Liberal Democrats are arguing a simple case. The Home Secretary made comparisons with Scotland and other countries. Scotland is different in three respects: it has an accountable prosecution service; there are professional judges, as the right hon. Gentleman acknowledged; and the system has been settled in the Scottish judicial process for hundreds of years—it has not been established for cost reasons. In England and Wales, despite the royal commission and the Narey report, the Government do not seem to have passed their own test on the reasons for changing from the position that the Home Secretary admits to espousing only two years ago.

Most cases do not go to the Crown court, and magistrates do not send to it many cases that could go there. Many cases that used to go to the Crown court no longer go there under the speedier procedures. The changes that the previous Government began and that go on under this Government should be allowed to continue. We believe that, even if there is a cost benefit or a time benefit to removing jury trial, the prejudice to the individual significantly outweighs any benefit to the criminal justice process.

I hope that the Home Secretary will put in the Library not only the summary of the responses to the consultation undertaken in the summer, but all the responses, which, as far as I am aware, have not yet been published. I hope that he will realise that the royal commission and the

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Narey report both recognise the controversial nature of the proposal. I hope that colleagues in all parts of the House—with respect to many of them, not only the lawyers among us—will realise that this is a real test of the Government's commitment to the freedom of the individual. I believe that the other House will want to scrutinise the Bill particularly carefully.

Mr. John Burnett (Torridge and West Devon): My hon. Friend mentions again that the Home Secretary has admitted that he has changed his mind on this issue. I hope he agrees that it will be in everyone's interests if the Home Secretary puts in the public domain all the evidence that has caused him to change his mind.

Mr. Hughes: I hope that the Home Secretary either heard that remark or has it reported to him. We must have the evidence. As the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) rightly said, the duty of the House in this matter goes as far as any duty we have to our constituents.

I end where I began: Britain has no written constitution and the House is still looked to as the place that defends liberties. Jefferson said 200 years ago:

"The natural progress of things is for liberty to yield and governments to gain ground."

We must resist that. Our criticism of the Government is that, in the interests of trying to be the Government of the many and not the few, and in the interests of being tough on crime and tough on the causes of crime, they are being weak on liberty and weak on the defence of liberty. I hope that the House will make sure that they are put right where they are going wrong and that the citizen, where he is being let down, will, by the end of this Session, have greater confidence in Parliament again.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Before I call the next speaker, I remind the House that Madam Speaker has placed a 15-minute limit on all Back-Bench speeches from now on.

5.17 pm

Mr. Barry Sheerman (Huddersfield): We are debating the home affairs, education and employment measures in the Queen's Speech. Having been deputy home affairs spokesman to Roy Hattersley between 1987 and 1992, it is a great temptation to launch into a debate on that subject. I shall resist it, however, although I cannot resist saying to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) that I remember with crystal clarity the five-year period during those days in which crime rose inexorably every year, by an amazing percentage while the Conservative Government seemed to do no more than twiddle their thumbs.

It is amusing to listen to our debates about police numbers because I remember those five years: every time I looked at a speech, a Tory Minister had said that there would be another 1,000 policemen, but we could never find out where they had gone; they were a mythical army spread around the country. Tory Ministers launched the figure of 1,000 officers again and again. My old friend the right hon. and learned Member for Rushcliffe (Mr. Clarke) was part of that period and I recall that he was a master of launches and relaunches in those days.

Mr. Kenneth Clarke (Rushcliffe): I thank the hon. Gentleman for giving way. I think that I am the only Prime Minister in history—*[Interruption.]* I am one of the many Home Secretaries who has never been Prime Minister, and I am the only Home Secretary in history who did not promise to increase police numbers in any year. I took the view, which I still hold, that the number of policemen was utterly beyond the control of the Home Secretary; it was entirely dependent on police authorities and chief constables, who had to spend the resources we gave them. On the other hand, I increased police resources and the crime figures began to come down. The hon. Gentleman's point is irrelevant and ancient compared with the account given to his party conference by the Labour Home Secretary, which deliberately misled people about police numbers on a scale that I do not recall any Home Secretary ever attempting.

Mr. Sheerman: It is lovely to recall the days when the right hon. and learned Gentleman was nearly, but not quite, Prime Minister.

In the short time available to me, I want to concentrate on education. I have been involved in education for a long time, and was the Labour spokesman on education when we were in opposition. When I worked for a living, as they say after one comes to this place, I was a university teacher and, as a parent of four children at different stages of their education, I have always been interested in its fashions and changes.

I want to quote from the first speech made by my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) when he became Secretary of State for Education and Employment. He was the first Labour Member in 18 years to hold that office, and listening to him was an exciting occasion for all Labour Members. Something that my right hon. Friend said about his intentions struck a chord with me, because I have spent a lot of time with business in the private sector considering the quality of people who are available to businesses hiring both young and older people.

My right hon. Friend said that it was the Government's intention

"to enable people to determine their own lives and to be given the opportunity and the wherewithal to flourish in a complicated world of new technology and a knowledge-based society in which human capital has replaced the 19th-century investment of fixed capital."—[*Official Report*, 15 May 1997; Vol. 294, c. 179.]

That day marked where we should be going. I am delighted that, over the past two and a half years, my right hon. Friend has been vigilant in maintaining that focus and goal. The Queen's Speech contains yet another measure. It says:

"Having focused change upon primary and secondary education, a Bill will now be introduced to establish a new Learning and Skills Council to improve standards for Post 16 education and training."

For the 1987 election, I wrote a pamphlet and policy document on Labour's policy on education and training for 16 to 19-year-olds. I have always believed passionately that all parties have neglected the many people who are not good at theoretical subjects. We have for many years concentrated attention on those who are

able to attain the magic three A-levels and entrance to university—there are a third more and the number has increased under this Government.

I went to the local school, where I was lucky because I was good at academic subjects. I was always held in high esteem, as were my peers who were similarly good at theoretical subjects. We were the achievers—the ones who got O-levels and A-levels and went to university. But the people of my age who were not so good—many of whom have performed very well in later life—have miserable memories of education. They remember being treated as second-class citizens at school. They were the people who did not achieve at school; they were treated as if they were not good at anything and had no hope but to work in a factory or at a dull, miserable job for low pay.

The Government want to provide lifelong learning and to get adults back into school. However, the truth is that many people still think going to school is like going to a bad dentist—a painful experience. To get them to go through the door of an educational institution is difficult. That is a terrible heritage. Historically, we have failed most of the children who went to school, because they have bad memories and experiences of education.

The policy document that I had a hand in drawing up all those years ago was for a Government who would face up to the fact that those kids had not been given a chance and that British society was changing so fast that the skills needed were different from those in which people had traditionally been trained. In the old days, there was a small elite—the generals—and as long as the rest of the people were literate and could follow simple instructions, they worked on the shop floor.

Those involved in the private sector know that there is only a small number of large firms, and that that number is constantly diminishing. Even the car industry and its work force have shrunk dramatically. Most people now work for small and medium-sized enterprises. A dramatically smaller number of people work in the manufacturing sector: the figure is down to about 20 per cent. of employed people, which is a very small number.

We have a totally new society based on wealth creation through innovation, knowledge and technology. The skills that we impart to young people in schools and universities must be dragged into the end of the 20th century and we must prepare for the 21st century. Although the Government have set their hand to this problem and have made steady progress, there is still too much emphasis in our schools on the purely theoretical and on awarding the purely theoretical achiever. There should be a balance between theoretical knowledge and practical, applied knowledge.

I spend a lot of time talking to and being active with university departments to try to ensure that theoretical knowledge has practical outcomes through the creation of products that are useful to society. We invest much money in universities: we have about 100 universities and that requires massive expenditure. Many people value the pursuit of knowledge for its own sake, but a country that invests so much money in higher education must expect new ideas and new knowledge to be converted into products that are saleable and make us competitive internationally. To achieve that we should lay far more emphasis throughout our education system on the balance between the theoretical and the practical.

The high-achieving theoretical student should have a more balanced curriculum. I am delighted that the Government are modifying the A-level system to provide that balance. My children's competencies and horizons have been narrowed by being restricted to three A-levels. They showed competence in a range of science and arts subjects, but were forced to specialise at that early age.

Mr. Willis *rose—*

Mr. Sheerman: I shall not give way because there is a 15-minute limit.

During the remainder of the Government's period of office, I shall take on the classic Back-Bencher role of reminding them that although they have achieved a great deal, two and a half years into their term of office is the crucial time to go back to their vision and to what they said in their first speeches. We should redouble our efforts to ensure that we are achieving what we set out to do, which was to liberate all the talents of our people.

I should not say anything approving about the Government, because my hon. Friends have awarded me, in my absence, the golden pager award for the most obsequious question to the Prime Minister. I have something of a reputation for that—although my hon. Friends have never actually given me the award. My role as a Back Bencher is to continue to remind the Government that they have done pretty well so far on a range of subjects, but that they must keep our vision in mind. We must give every youngster in school a chance.

I have learned two lessons. First, we must achieve our vision through partnership right across the board. We must involve everyone—teachers, education authorities and parents. Visiting schools in my constituency and elsewhere is a wonderful experience. Time and again, I note the greatest change that has taken place—the ending of the demoralisation of teachers that I observed day in, day out, for 18 years under the Conservatives. I now see a new spirit, a new energy and a new morale among teachers, which is crucial. I also see the importance of good management. How many of us have seen good schools in our constituencies—schools to which everyone wanted to send their kids—become schools to which few want to send their kids, because the wrong head is in charge: someone who is not a good manager and not a good leader? The ability to manage is very important.

Another important consideration is the added value conferred by every penny, and every bit of effort, that we expend on the education of children aged between four and 16, in comparison with what may have to be spent later to repair the damage that has already been done by poor education. We must get the balance right, and we must maintain the pressure in post-16 education. We must keep that vision in mind: until we secure the education that is right for a new society—a more technology-driven, knowledge-driven society—we shall not deliver to the country and our constituents what we were elected to deliver.

We had 18 years of hard; we do not want 18 years of soft. We want 18 years of energy for our education system, so that we can give our young people the future and the use of their potential that they deserve.

5.32 pm

Mr. Kenneth Clarke (Rushcliffe): The Queen's Speech reveals that although the Government have an enormous parliamentary majority and tremendous potential power halfway through their term of office, they have no clear idea of the purpose for which they wish to use their power. I always suspected that the third way was a fairly vacuous concept: the nearest I came to defining it was suggesting that it was an attempt to reproduce Thatcherism with all the difficult bits taken out. As far as I can see, it has never focused very clearly on anything. The present Administration obviously enjoy the style of government. They like being in office; their instincts are presidential, centralising, paternalist, sometimes authoritarian. But no clear sense of purpose runs through this enormous Queen's Speech, with its 32 ragbag Bills—some worthy, some not, but most of them extremely routine.

When I was a Minister in the Administrations of my right hon. and noble Friend Lady Thatcher and my right hon. Friend the Member for Huntingdon (Mr. Major), people may not always have agreed with our sense of purpose, but we clearly had one, and we changed society over the period during which we were in power. The present Government, wanting a busy Queen's Speech, turn out 32 measures, most of which represent good housekeeping, some of which have fallen out of departmental cupboards, but none of which show any sense of purpose.

Ms Ward: Will the right hon. and learned Gentleman give way?

Mr. Clarke: No, because I have only 15 minutes in which to speak. I may give way once on a specific point when I have begun to deal with the two subjects that I have chosen.

It is a misfortune that about a third of this huge legislative burden should fall on the Secretary of State whose Department is experiencing the greatest administrative chaos. The Home Secretary at least had the grace to say that he had never promised to achieve perfection on securing his post. As a former Home Secretary myself, I am a member of the same trade union, and I agree that it would be unwise to make such a promise; but, in saying that he had not achieved perfection, the right hon. Gentleman sounded a bit like the designer of the Titanic, who, having claimed that the ship was unsinkable, then said, "Well, none of us is perfect".

The fact is that no area of the Home Secretary's responsibilities has not gone chaotically wrong, and now he must try to steer 11 Bills through the House—some good, some bad, most indifferent. Rightly, the opening speakers were given more time, and my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) was able to deal with some of those wide areas of the Home Secretary's responsibilities. It is arguable where the problems are worst in the Home Office; they are probably worst in the immigration and nationality directorate, where there is a crisis over asylum. On reflection, the biggest pending crisis is in the Prison Service, where a state of total chaos has descended.

The Home Secretary, who is responsible for the Freedom of Information Bill, has been accused of withholding reports by his own prisons inspector into a state of affairs so dreadful at one of Her Majesty's prisons that the inspector wants it to be closed unless there are improvements within six months. The Home Secretary is oblivious to that and passes measures that increase the number of people in prison. He seems to have no idea how to raise the standards of management or of the regime to respond to the problem. However, that is for a longer speech. In 15 minutes, I have to concentrate on a couple of measures in the Queen's Speech that cause me, as an hon. Member, most concern.

Out of the wide range of targets that the Home Secretary gives us, I am most concerned about the proposals on the right to trial by jury. It is an old subject and it has been raised over and over again for as long as I have been in the House. That is because trial by jury is comparatively expensive and the Treasury is always pressing the Home Office to make some savings in that area to meet a few of the ever-burgeoning demands for more expenditure by other sections of the Home Office.

I have not looked up my track record. If I were still a member of the Front-Bench team, I have no doubt that someone in the Home Office would have researched the number of times that I had at least collective responsibility for some moves on the subject. I see the Minister of State, the right hon. Member for Brent, South (Mr. Boateng), smiling. He may prove me wrong, but I do not think that I did anything when I was Home Secretary. I beat off such proposals then. I do not think that anything remarkable got through which had my hands on it.

In 1996, we made improvements. In that year, with reluctance, we made changes that addressed what was undoubtedly the abuse of the right to elect trial by jury. They have had some worthwhile effect, but the present Government are going far beyond that. They are effectively abolishing the right to jury trial in whole areas of criminal law. That was a step from which the Conservative Government always held back.

If the House wants to single out a measure to become difficult about, if Labour Members are not competing for the golden bleeper, and if another place, now that it is reformed, wishes to single out a measure on which to show that there is a place for a second House when it comes to defending the liberties of the citizen, the Bill on trial by jury will be the measure on which to concentrate. Such a measure has been looked at often in the past three decades and shrunk away from because it would fundamentally change the way in which we implement criminal justice.

I am one of many hon. Members who has practised at the Bar. I am very out of date; For about 16 years many years ago, before I became a Minister in the Thatcher Government, I practised at the Bar. I was essentially a criminal practitioner, both prosecuting and defending. I was a jury advocate when I practised at the Bar. The system is imperfect. It is rather like democracy, which is an imperfect system of government, but I know of no better system than the jury system for finding the truth. I know of none that I would depend on more when it came to deciding the facts of a matter.

Most judges with experience in criminal matters like to have a jury to decide on the facts in the most difficult cases. If I, or anyone close to me, ever faced serious or significant criminal charges, I would be inclined to elect for trial by jury because I would feel more confident—

at least I would be facing trial by my peers. That right is being taken away to a significant and enormous extent by the Government.

There have always been two particular arguments, which the Bill tries to address. They have been discussed before. For some people with a long track record, it does not really matter. There is much abuse. They plead not guilty before the magistrates and guilty later. It is just a way of staying out of custody over Christmas, or of increasing the fees for lawyers and so on. The answer against that is always the same—for some people, even the most trivial offence is a matter almost of life and death. For a bishop to be accused of stealing a milk bottle is the make-or-break moment for that man's career. Dare I say it in a House that has had its fair share of scandal, but for an hon. Member to be accused of a quite minor theft, a low-level burglary, would not be regarded as a minor matter. In the interests of saving money for the Treasury, the Government would like such a case to be handled in a quicker and more summary fashion than jury trial, on which we have usually relied. The Bill tries to address those issues by altering the right to elect for jury trial.

The Bill provides that magistrates should consider whether someone's particular reputation or livelihood would be affected by conviction. Although that is an attempt to deal with the problem, it is not a solution. Although, at first blush, it seems to deal with the point about the bishop and the milk bottle, someone with liberal values and an interest in the law might well ask why a bishop should have a greater right to justice than someone who has a bit of form. Every man is entitled to have each crime judged in the manner most likely to achieve justice.

In the past, all the arguments that I have been making would have appealed to most Labour Members. I know that because I have heard those arguments made by most of them. I plead guilty, my Lord: in my 25 years on the Front Bench, collective responsibility and the golden bleeper always slightly inhibited my ability to speak out. When Labour Members were in opposition, they were very free indeed in speaking out.

The Home Secretary himself concedes that he had doubts about the Government's proposals. In 1996, however, he did not doubt our proposals—he denounced them root and branch. He was totally against our proposals and described them as an affront to justice. Now, he says that he has changed his mind on the issue—which is his usual defence when his old words are thrown back against him. He has changed not his mind, but his principles and values. He has given in to pressure from whoever produced the Bill.

Mr. Marshall-Andrews: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I shall in a moment.

I was most worried by some of the Home Secretary's passing references to the Bill. I do not know what he thinks about trial by jury, but, today, he offered absolutely no defence of it. He made trial by jury sound as though it were a mediaeval practice that has been handed down to us.

Mr. David Davis (Haltemprice and Howden): Or Victorian.

Mr. Clarke: Yes. The Home Secretary also gave the impression that the Victorians had introduced the right to elect trial by jury as an economy measure. He does not seem to believe that trial by jury has any particular value.

As I agreed so much with the earlier intervention of the hon. and learned Member for Medway (Mr. Marshall-Andrews), and suspect that he agrees with my views, I shall happily give way to him and then deal very briefly with the remarks of the hon. Member for Huddersfield (Mr. Sheerman).

Mr. Marshall-Andrews: Does the right hon. and learned Gentleman agree that if one removes the right to elect for trial by jury from people with previous convictions, inevitably that fact will become known to police forces prosecuting in the area? Police forces will therefore know that there is a raft of people who, if arrested and charged, have been effectively denied the right to elect for jury trial.

Mr. Clarke: I trust that most good police officers will not be affected by that knowledge, but agree that everyone involved in the system will know that certain characters will never be able to elect for trial by jury if they are brought before the courts. The guidance in the legislation makes it quite clear that someone with form and previous convictions should not normally be given the right to trial by jury, but should be dealt with summarily. I agree with the drift of the hon. and learned Gentleman's comments.

I have left myself only four minutes in which to deal with education and employment, which is not adequate time to do so. I agree with the hon. Member for Huddersfield that, if one singles out only one matter for highest priority, it should be training and skills acquisition for 16 to 19-year-olds. Although that was the part of our education system that had been most neglected and failing, it is not true that the previous Government's record on it was deficient. We introduced the National Council for Vocational Qualifications and a new system of vocational qualifications, and we poured money into further education. We gave further education colleges their independence from local government and introduced new funding arrangements. That part of the education system is vital and, of the matters within the Government's gift, it most affects employment prospects.

The Government like to claim that unemployment has decreased in their time in office, and whichever Minister replies to the debate will make much of it. Boy have the Government been lucky! First, they just missed a recession; and, secondly, no one is quite sure why unemployment continued decreasing in that period. They avoided bust, after they had acquired a very healthy and growing enterprise economy that had been enjoying reducing unemployment levels for months before ever they took office.

The Government should not get carried away by hubris. If the economy goes wrong—on another occasion, I will say why we are not in the clear yet—and when employment decreases, all their daft claims for the new deal will not be sustainable. They have produced marvellous statistics for the new deal at a time when the economy is creating jobs—the real economy of private businesses is creating more jobs. Wait until the economy turns down—then, any attempt to dress up the new deal with statistics will show that the only new jobs in the economy are those created by employers and they need skilled employees.

[Mr. Clarke]

In the short time left to me, let me express some concern about the new learning and skills councils. How much will they relate to local employers, the local business climate and local needs? We introduced training and enterprise councils, which were another example of how we tried to give extra stimulus to the training effort. They were not perfect and I do not mind the Government moving on. The idea of specialist learning and skills councils—the heroic attempt to read across and get a more evenly funded picture in which people have genuine choice, from the sixth form to the fullest extent of further education—is commendable, but the way in which the Government have gone about it is new Labour, new quango.

The best feature of the training and enterprise councils was that they were based on local employers—most were chaired by local employers. They addressed the local labour market and had considerable discretion. That was intended not merely to help business but because local business is where the jobs that young people and their parents require come from.

Every interest group in the locality known to man will be involved with the learning and skills councils, in particular all the providers of further education and training and all the local authority people. The voice of private business and the local employer will be reduced. Also, the amount of discretion that is to be given to the councils will be sharply reduced.

Although it is worth while trying to move the idea further, I trust that when the Bill is produced we will be able to examine whether the Government are in fact going backwards and not providing the correct measures to give priority to further education and skills acquisition, which are at the root of employment policy and are the most important responsibility of the Government when it comes to giving people job prospects for the future.

5.47 pm

Mr. Robin Corbett (Birmingham, Erdington): The single most important test of the Government's home affairs legislation must be how it will deter crime and help people to restore the peace and security that too many have had stolen from them.

Communities throughout my constituency are looking to West Midlands police and Birmingham city council to make full use of their powers to combat anti-social behaviour before it turns into criminal activity. For most people, anti-social behaviour is more damaging than criminal acts because it impacts more widely and immediately on whole communities.

The new crime reduction strategies agreed locally by councils, the police, the voluntary sector and others must be turned into instruments that will rid communities of the destructive behaviour of that tiny minority of young people who believe themselves to be beyond the law. However, most young people are as law-abiding as their parents. Indeed, young people are the main victims of crime at the hands of their peers.

Steps are being taken in the proposed measures to improve the effectiveness of procedures when young offenders first meet the criminal justice system, and I welcome those. I urge the Home Secretary to keep up the pressure in cutting the time between charge and trial, so that young people can better be shown the connection between their offence and the community against which it is generally committed. Research shows that when that first intervention is effective it can divert young people from moving up the escalator of more serious crime towards a more positive way of life. That is why I welcome the crime and protection Bill to modernise the probation service, which wants to offer the help that young offenders need and which will improve the effectiveness of community penalties.

I hope that my right hon. Friend the Home Secretary will continue to remind magistrates of the range of non-custodial sentences available and encourage them to be used where appropriate. The best of those schemes work well, as our recent Home Affairs Committee inquiry showed. Best practice needs to be better spread among probation officers and all those concerned with sentencing.

As we begin to become smarter in deterring and detecting crime and in dealing with offenders, the better life chances that come with a healthy economy and the success of the new deal for jobless youngsters will help to make a difference. It is important that the criminal justice system responds to that new urgency, which brings me to the Government's proposals to restrict the right to jury trial.

My right hon. Friend the Home Secretary, himself a barrister, was perhaps a little testy when the Bar Council criticised his proposal. He brushed it aside, saying that it was behaving

"like any good trade union".

Whatever its truth, that comment does not dispose of the concerns.

The Law Society argues that black defendants feel that juries are more likely to represent the ethnic mix of their local communities than are magistrates. That must be the case. With the Home Secretary's support, my right hon. and learned Friend the Lord Chancellor is working to improve the make-up of the benches for exactly that reason. The Law Society says that juries are more open-minded than magistrates about the veracity of prosecution and police evidence. One factor in that is that it is almost certainly a new experience for jurors, while magistrates deal with the police regularly.

I hope that my right hon. Friend the Home Secretary will say how magistrates are to evaluate the likely impact on defendants of the mode of trial. It is a very subjective judgment that is bound to favour the few over the many, the white, middle-class haves over the many have-nots. We run the risk of introducing a two-tier system.

I want the Home Secretary to say more about why the changes are needed. Is it all about cash, or is it about getting better efficiency from the system? If it is the latter, surely there are other ways to achieve it. My right hon. Friend claims that the move will save £100 million a year, but what estimate has he made of the cost of appeals against decisions to refuse a trial by jury?

As the Director of Public Prosecutions, Mr. David Calvert-Smith, is reported as saying in *The Times* on 15 November this year:

"only a tiny proportion of cases were tried by jury, about 20,000 cases out of 1.5 million a year."

He added:

"There is a feeling in the public mind that they [juries] have some actual say, they are participating in their criminal justice [system]. I have rarely met a juror who did not feel that being in a jury was a valuable part of their experience of being a citizen."

Does that not suggest that the more efficient conduct of courts at both levels is likely to yield far more savings at less potential cost to justice than would restricting jury trial?

I am among those who have presented Bills to the House in an attempt to persuade Governments of both colours of the need for freedom of information. I fear that my right hon. Friend the Home Secretary has been flirting with that young Prudence from No. 11 Downing street, who may have been two-timing the Chancellor. Prudence should have no part in the plans to demolish this far too secret society, whatever she does for the Chancellor. Our task is to rip doors off hinges and throw open the windows so that those who sent us here can better know what Government and Parliament are doing in their name.

As a matter of principle, it must be wrong for Ministers to decide what information is released and what is not. That is as objectionable as Ministers interfering in a sentence imposed by the courts. I urge my right hon. Friend the Home Secretary to send Prudence back to the Chancellor, be bold and let the proposed information commissioner decide, where there is dispute, whether information should be released. If a Minister's case is compelling and the arguments for non-disclosure are so gripping, the commissioner is surely bound to uphold that view. However, if the commissioner decides that the only reason for refusal is to save the Government embarrassment or inconvenience, I believe that our democracy should be grown up enough to live with that.

Giving those powers—the final word on behalf of the citizen—to the information commissioner would demonstrate the Government's claim that they truly believe in empowering the citizen by volunteering this extra way in which Ministers can be held to open account. My right hon. Friend the Home Secretary said that his mind was still open. He can best demonstrate that by giving those powers to the proposed information commissioner.

5.55 pm

Mr. Peter Lilley (Hitchin and Harpenden): Mr. Deputy Speaker, with your indulgence I want to discuss patient choice in the national health service, even though no time has been set aside for discussing that in this debate. In saying that, I make no criticism of Madam Speaker. In a six-day debate on the Gracious Speech, no time has been allocated to talking about the NHS because there was no mention of it in the Gracious Speech itself. That is all the more surprising because the Prime Minister, in his capacity as leader of the Labour party, made a bold statement at his recent party conference which I took to be a pledge of radical legislation.

Mr. Deputy Speaker: Order. Before the right hon. Gentleman pursues his line much further, today we are debating the amendment on the Order Paper, to which he must relate his remarks.

Mr. Lilley: I wrote to Madam Speaker seeking her permission to address this subject.

Mr. Deputy Speaker: I am not sure whether the right hon. Gentleman wrote to Madam Speaker specifically about the amendment and whether his remarks would be in order. If he did, I will abide by her ruling. There is an amendment before the House to which, normally, he should address his remarks.

Mr. Leigh: On a point of order, Mr. Deputy Speaker. This is an important point because I have attended today's debate and all yesterday's. Hon. Members ranged widely over the Queen's Speech and the entire scope of government. I thought that it was a convention of the House that one was allowed to range widely in these debates.

Mr. Deputy Speaker: On previous days, that has been the case because we did not have an amendment to debate. Today is different because we have such an amendment, to which remarks must be addressed. I am prepared to allow the right hon. Member for Hitchin and Harpenden (Mr. Lilley) a certain amount of leeway, but he cannot devote his entire speech to a subject that is not part of the amendment.

Mr. Lilley: I am grateful for that guidance Mr. Deputy Speaker. It has been brought to my attention that the amendment condemns the failure to include measures in the Queen's Speech. That is what I want to do, particularly in respect of the failure to include the measure apparently promised by the Prime Minister when, parodying Lady Thatcher, he said:

"I want to go to the hospital of my choice, on the day I want, at the time I want. And I want it on the NHS."

However, we are used to the Government saying one thing and doing another. Since April, the Government have been abolishing the last vestiges of patient choice in the NHS.

Since April, patients can no longer choose to go to another hospital with a waiting time shorter than that chosen for them by their local primary care group. They can no longer go to another hospital with a better success rate in treating the ailment from which they suffer than that chosen for them by their local PCG. Even if they wish it, they can no longer go to another hospital that is able to treat them more efficiently and at lower cost to the taxpayer. They have to go to the one chosen by their PCG. That has been condemned by the director of the College of Health who said that stopping the

"referral of patients from overstretched hospitals to those with spare capacity . . . doesn't make sense."

He ridiculed the Government's criticism of the exercise of informed choice. They had referred in their consultation document to choosing a centre of expertise as "playing the market".

We should not restrict choice but extend it to people, and extend it to them—I wish to make this clear—within the NHS. We know that choice is a potent weapon in improving quality and efficiency. Where customers and users of a service have a choice between alternative suppliers, those suppliers know that if they do not match the best in quality and efficiency, they will lose custom and revenue. That means that they have to improve.

We have demonstrated that choice can be effective within the public sector, too. What makes it effective is when the money follows choice. In the education system—which is certainly referred to in the amendment, I am happy to say—before Conservative reforms were

[Mr. Lilley]

introduced, when a successful school gained extra pupils it received no extra resources but had larger class sizes and more overworked teachers. When, by contrast, schools were failing and they lost pupils, they did not lose resources, they had smaller classes and there was relatively less work for teachers. Only when we made money follow pupil and parent choice was the system galvanized. Schools that had been doing badly and had complacent governing bodies were compelled to change their attitude, get rid of inadequate head teachers and change unsuccessful policies. Schools that were successful were rewarded.

I hoped that the Prime Minister was promising his conference that he would do something similar in the health service and make sure that patients had choice and that money would follow it. We need to do that. Many of us hoped that the reforms that we introduced at the end of the 1980s and in the early 1990s would have that effect. They certainly were very beneficial, and I pay tribute to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) who had a say in them, but they did not lead to improved patient choice or money following the patient because fundholders were effectively required to enter into contracts determining where their patients would go.

Fundholders had the opportunity to make extra-contractual referrals—to refer patients to hospitals with which they had no contract—but in practice only 2 per cent. of operations were carried out under such circumstances. Hospitals were reluctant to accept patients from other areas because they could not be sure of being fully reimbursed rapidly. The Government have abolished extra-contractual referrals entirely. Now it is possible to have an operation in a hospital with which one's primary care group has not contracted if one is inconsiderate enough to fall ill and need emergency treatment away from one's own area.

Dr. Desmond Turner (Brighton, Kemptown): If I heard aright—I could not quite believe what I was hearing—the right hon. Gentleman has done a marvellous demolition job on his Government's health reforms. Does he accept that primary care groups have the authority to send a patient wherever they choose?

Mr. Lilley: No. I am able to inform the hon. Gentleman that he has got it wrong. The Government have abolished extra-contractual referrals and, according to their guidance, only if one has an emergency need for treatment can one have treatment outside one's area in the NHS. That is deplorable. Under the Government's new system instead of money following the patient, the patient follows the money. Money is more important than patient care under the reforms introduced in April by the Government and currently being implemented.

Effective choice requires the patient to collaborate with his GP. Patients need information to make informed choice. They need to have that information available either at the surgery or on the internet. Much information is implicitly available. The national waiting list helpline keeps information about the waiting time for every consultant throughout the country. Of course, that information is not known to most right hon. and hon. Members in the House because consultants give the information to the helpline only on the understanding that it will not be made publicly available but will be discreetly available to GPs. I hope that the Government will move to make that information available to all—GPs' surgeries and more widely.

Information is collected by the NHS about the degree of specialisation in each hospital, but that, too, is not currently made available. It should be available so that we can make informed choices. Much information exists within the NHS about the success rates and mortality rates for different operations. It is extraordinary that it is now accepted that when, sadly, treatment is no longer likely to be successful, we tell people that death is inevitable, but we do not tell people for whom treatment is possible about the likelihood of its success and the likelihood of staying alive in different hospitals around the country. That information should be readily available.

Giving patients back more choice, making that choice effective by giving them the information to make informed choices and making sure that the money follows their choice to the hospital where they want to be treated will have three consequences. It will enable some people to get treatment earlier because they will be willing to travel a bit further to a hospital with a shorter waiting time. That will alleviate the burden on their local hospital if it is overstretched. It will improve the quality of health care. Can anyone doubt that if parents of patients at the Bristol heart unit had had access to the acknowledged high mortality rate of that unit as compared with that elsewhere, action would taken sooner and fewer lives would have been tragically lost?

It is extraordinary that in Britain we have the lowest level of success in treating pelvic cancers of any major country in Europe. For every three people who live five years or more after a cancer operation in Holland, Sweden or the United States of America, only two do so in Britain. Yet as well as having the worst overall success rate, we have the unit—it happens to be in Basingstoke—that has the highest success rate in the world in treating many of those cancers. If we had more choice and the money followed the choice, Basingstoke unit would be able to treat more people from outside its area and other centres would have the incentive to emulate the skills developed there. The treatment of cancers would therefore improve across the country.

Increasing patient choice would also lead to specialisation in some minor operations and ailments. There is provision within the PCG system for groups to contract with specialist units that deal with rare and difficult operations, but there is no system for allowing any specialisation to develop for more common operations and ailments. If we had the sort of system that I should like us to develop, such specialisation would take place. We would see units specialise in cataract, hernia and other relatively common and minor operations, which would improve greatly the efficiency and quality with which such treatment was provided.

Given the failure of the Prime Minister to get beyond convenient soundbites, it is the duty of the Opposition to come up with proposals to increase patient choice. I welcome greatly the proposal from my Front-Bench colleagues to introduce a guaranteed maximum waiting time within the national health service. The idea of patient choice, with money following the patient, goes naturally with that proposal, and will ensure that we have a health

service that gives people the dignity and the effectiveness of choice; makes that choice powerful; and improves the quality and health care of our nation.

6.10 pm

Ms Bridget Prentice (Lewisham, East): Hon. Members will not be surprised that I welcome the excellent Queen's Speech and the continuation of the radical changes that we are making in every sphere of government. However, I am in rather rebellious mode at present—[HON. MEMBERS: "Hear, hear."] I knew that that would cause some excitement. I feel the need to rebel a little in this debate. Before my hon. Friends and Members of the Opposition get too carried away by that thought, however, I must point out that I am rebelling against the greeting given by the forces of conservatism to one aspect of the Queen's Speech—against those who say that the Criminal Justice (Mode of Trial) Bill is an affront to civil liberties. Those forces of conservatism seem to be members of the Bar Council and even of some civil liberties groups. It appears that one or two of my hon. Friends may also fall into that category.

When I decided to speak in today's debate, I thought that few of us would discuss that aspect of the Speech, but I am astounded by the number of Members who have done so. I should have remembered how many solicitors and barristers are Members of the House. Perhaps I, too, should declare an interest in that I have been a magistrate and a juror, and that I have a law degree although I am not a lawyer. Other hon. Members have argued about the importance of being tried by one's peers, yet are not lay magistrates also our peers? So far, no one has pointed that out. Is that because it has been a long time since some barristers in the House have been inside a magistrates court—if they have ever been inside one? Is it because magistrates deal with 97 per cent. of all criminal work and, without them, the criminal justice system would grind to a halt?

There have often been campaigns in the press against lay magistrates. Such campaigns destabilised and demoralised the lay magistracy, making them believe that we, as lawmakers, did not value them. I should like to think that I have the support of hon. Members on both sides of the House when I say that we do indeed value the lay magistracy and shall continue to do so.

Mr. Leigh: Of course, lay magistrates do superb work. However, as a former magistrate, the hon. Lady will accept that, because of the large number of cases that they hear, they often become case-hardened. The value of a jury is that its members bring a fresh perspective to cases.

Ms Prentice: I thank the hon. Gentleman for his intervention, but I do not agree with him. At present, there are about 31,000 lay magistrates. They receive training that is far superior to the one that I received; and their training continues. They are currently receiving training on all the new legislation that is being introduced, so it is not fair to say that they become case-hardened. Furthermore, they live locally and know about their communities.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): Will the hon. Lady give way?

Ms Prentice: I should prefer not to do so now, as I have only a short time in which to speak. If I have time, I shall try to take interventions later in my speech.

Magistrates are becoming more representative of their local communities, although we need to do more to encourage people to join the magistracy. They are the linchpin of our criminal justice system. I have deliberately stressed the role of lay magistrates, because its importance counters some of the comments that have been made about the Bill.

The Bill is good and it is welcome. I remind my right hon. Friend the Minister of State, Home Office that, when the matter was discussed previously, I pointed out that such a measure would be welcomed not only by magistrates, but by innocent defendants whose lives are turned upside down as they await trial in the Crown court.

For the sake of clarity, I shall describe what currently happens. If defendants can opt for trial in the Crown court or the magistrates court, that option is put to them by the magistrates. They are also warned that, should they choose to be tried before magistrates, they could still be sent to the Crown court for sentencing if the magistrates feel that their powers are not sufficient. It is nonsense to suggest that defendants would not continue to choose to be tried by magistrates—they would. The Bill allows magistrates to take into account important issues that could help to determine the appropriate court for trial.

I am sure that many other hon. Members received—as I did—a letter from the Bar Council. I thought its content almost hysterical; it was certainly historically inaccurate. However, I shall be gentle with the Bar Council—I am sure that its members mean well and that they are considering their clients rather than their pockets. First, the letter implies that the magistrate—the Bar Council seems to think that only one magistrate sits on the bench—will decide the matter only on the basis of a defendant's reputation. That is not true. The magistrates will consider five aspects before they decide on the place of trial.

Secondly, the letter asserts that the measure will "hit Black Britons Worst". It gives no evidence to prove that; I argue that that is because there is no such evidence. Of course, magistrates must be more representative of the black community, but, in my experience, black magistrates are as committed and as serious in coming to a correct verdict as anyone else on the bench. Furthermore, individuals who sit on juries can show as much prejudice as is reflected in the wider community. The Bar Council quotes statistics with no back-up and gives no indication of the type of crime or criminal record of the people involved.

It is true that a substantial number of guilty defendants deliberately misuse the system to delay their trial, and change their plea on the day of the trial. I am not as concerned as my right hon. Friend is about the cost to the system that that entails, although I dare say that it is considerable. My concern is about the effect on the police, on witnesses and, most important, on victims of crimes. It does not make for a good and fair justice system to have witnesses and victims waiting for many months, under stress and strain, only for a defendant to plead guilty at the last moment. Perhaps, for once, we should take into account the interests of the victim.

The Bar Council letter describes the Bill as

"a disturbing threat to our ancient liberties which date back to Magna Carta."

What nonsense—the Bar Council's understanding of history leaves much to be desired.

[Ms Prentice]

I did a little research on that point; not relying on my fading memory as a student and then a teacher of mediaeval English history, I looked up the definition of a jury in the "Oxford Companion to Law". Admittedly, the definition was written by a fellow Scot, but it must, therefore, be entirely reliable. Professor Walker writes:

"An ordinance of King Ethelred II provides that in the gemot of every wapentake"—

I hope that I am pronouncing the mediaeval English correctly—

"the reeve and the 12 senior thegns should go out and present on oath all whom they believe to have committed any crime. The guilt or innocence of the accused had to be determined by ordeal or compurgation."

Thank heavens we no longer have that form of jury trial. *[Interruption.]* I see that my right hon. Friend warms to my theme. Professor Walker also reminds us that, until relatively recently, there was a property qualification for jurors—hardly a reflection of our community.

I then researched when the either-way offences took shape—not at the time of Magna Carta and not writ in stone for hundreds of years but in the middle of the 19th century. The first breach of the distinction between indictable and summary offences took place in 1847, when two or more justices were empowered to try children under the age of 14 for simple larceny. I want to share the preamble to that measure with my right hon. Friend; it stated that the Act's purpose was to

"ensure the more speedy trial of juvenile offenders and to avoid the evil of their detention previously to trial."

My right hon. Friend the Home Secretary is not—as I had always believed—the first to think of fast-tracking young offenders. The general right to claim trial by jury where the maximum sentence on summary conviction exceeded three months' imprisonment was introduced in the Summary Jurisdiction Act 1879. The Bar Council therefore does itself no favours by exaggerating its claims. There seems to be a blind spot among some lawyers, who do not recognise that magistrates are defendants' peers, too.

I reiterate, in support of the Bill, that the innocent person standing before a bench wants, more than anything, to have the matter dealt with quickly and fairly. I really do wonder why lawyers are so up in arms. I also wonder when the barristers last entered a magistrates court. I share with the Bar Council the hope that my right hon. Friend the Home Secretary is not proposing the Bill simply to save money. However, I wonder whether lawyers are so strident in their opposition because they are afraid of losing money. I believe that the Bill will make the system better, more efficient and fairer to defendant and victim. I have sat as both a magistrate and a juror, and I believe that both systems serve us well.

As a Scot—or, rather, as a Glaswegian—I tend to think that the Scottish system has many merits, and my right hon. Friend the Home Secretary would do well to look to it from time to time to see whether we could import some of its better aspects to our judicial system in England. Scots would be rightly outraged at any suggestion that they did not cherish their civil liberties. From Bannockburn to the present day, they have fought for their rights. In Scotland, it is not the defendant who decides mode of trial, but the prosecutor. There have been no suggestions that the Scots are not getting fair justice. The Bill does not even go as far as that.

Our bottom line should always be to ensure that our justice system is fair to defendant and victim. The Bill goes a long way to address that; I welcome it.

6.22 pm

Mr. David Davis (Haltemprice and Howden): I started listening to the debate in some discomfort because I found a great deal with which to agree in the comments of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes). Indeed, when he was quoting Jefferson about the balance between liberty and government, I was tempted to remind him of Jefferson's contemporary, James Madison, who said that we always have to defend liberty from democracy—the rights of the individual from the rights of the majority. Despite that attack of liberalism on my part, I fear that the hon. Member for Lewisham, East (Ms Prentice) will find me defending the forces of conservatism—and I am not a lawyer.

I have some sympathy for the difficulties confronting the Home Secretary. He knows that I understand that there is a problem in the judicial system; he knows that I asked the Comptroller and Auditor-General and the National Audit Office to initiate a study of the operation of the judicial system, to help the Government in their attempts to accelerate and improve the operation of that system. Nevertheless, I feel that the proposals to remove the right to a jury trial in some cases underestimate the importance of that right, and I tell the hon. Member for Lewisham, East that I do not rely on swathes of English history for that purpose.

I believe that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) had the best of the argument, and he was supported in that by the hon. and learned Member for Medway (Mr. Marshall-Andrews) in his forecast of the consequences of the proposal for police behaviour in the courts. We should be extraordinarily careful about reducing that citizen's right, and if we choose to restrain it, we should do so only as a last resort in trying to solve the existing problem.

The hon. Member for Lewisham, East did at least try to set out the case for the Criminal Justice (Mode of Trial) Bill, even though the Home Secretary did not. If I may summarise the case put by the Narey commission, limiting the right to jury trial would have three advantages. First, it would stop the improper manipulation of the justice system. That is a fair—and extraordinarily important—aim. It would have a direct impact on justice. Secondly, as the hon. Lady said, limiting the right to a jury trial should reduce inconvenience to victims and witnesses. Thirdly, it should reduce delays and costs. Like the hon. Lady, I agree that, in this context, delays are more important than costs. I say that even as Chairman of the Public Accounts Committee.

However, we should not accept the idea of that constraint unless it is the only method of tackling the problem. The hon. Member for Birmingham, Erdington (Mr. Corbett) said that better methods must be available, and I believe that there are. If I may, I shall dwell on what such methods might be.

The biggest single problem of improper manipulation, mentioned by Narey, is that of so-called cracked trials. A cracked trial is a case that is listed in a Crown court

for a contested trial by jury but, on the day of the trial, is disposed of in another way. The majority of cracked trials—in 1998, about 60 per cent.—occur when the defendant changes his or her plea to guilty on the trial date. As long ago as 1989-90, a Home Office study found that only 17 per cent. of those who elected at the magistrates court to be dealt with at the Crown court eventually pleaded not guilty to all charges, and a further 14 per cent. pleaded not guilty to some charges. Therefore, in 1998, some 17,000 trials—about a third of those scheduled—cracked.

However, there was a wide range of performance between courts. At the central criminal court in London, about 15 per cent. of trials cracked. In Doncaster—and in Hull, at my local courts—about half did. That variation must relate to the operation of the court. I contend that the issue can be dealt with by methods other than that of limiting the right to trial by jury. The range of performance of the courts shows that.

The Narey report identified three main reasons why defendants do not plead guilty until the last moment. They are, first, to delay proceedings and put off conviction and sentence; secondly, to retain remand status and therefore, presumably, softer treatment in a local prison, close to family and friends, with the additional visits that are available to unconvicted prisoners—time spent on remand is deducted from an eventual prison sentence—and, finally, to increase the chances of acquittal, which are higher in a Crown court than at summary trial in a magistrates court. Obviously, therefore, the system provides strong incentives for hardened or serial criminals to manipulate it to their advantage, to the disadvantage of the taxpayer, and to the disadvantage and detriment of justice.

How do we fix the problem? The percentage of Crown court trials that have been elected by defendants is falling. In 1992, 37 per cent. of triable either-way cases committed to the Crown court resulted from the election of a defendant; in 1997, 28 per cent. did. That is no surprise. We have heard about the effects of "plea before venue".

In addition, under the Criminal Justice and Public Order Act 1994, in sentencing a defendant who has pleaded guilty, a court can take into account how soon in the proceedings the defendant expressed his or her intention to plead guilty. The possibility of a lighter sentence where a defendant has pleaded guilty early in a case is intended to reduce the number of cracked trials. A recent review of a sample of Crown court cases found that defendants were advised by their legal representative of those provisions in 95 per cent. of cases—so that change is probably having an effect. In conjunction with plea and directions hearings, it has had a depressing effect on the problem.

However, sentence discounts are granted at the discretion of individual judges, and there is some evidence to suggest that defendants simply do not believe that they are given sufficient credit for an early plea. If, in circumstances in which a late change was made in the plea, judges ignored the remand period before the change of plea and did not give credit for that in the sentence, that might remove all the advantage for an accused to play the system in that way. That is only one possibility; a variety are emerging.

A National Audit Office report is due out in two or three weeks. I cannot pre-empt that, but I tell the House that several other measures might be tried. In addition, provisions introduced by Acts of Parliament that became law in the past few years are taking effect from this month. At the very least, it is premature to throw away for many citizens this fundamental human right—that is what it is in English law—in pursuit of "efficiency". The proposal may lead to lower costs and it may be in the interests of the victim, but we should not throw away that right without considering all the other options that are available, some of which are perfectly likely to produce a better outcome.

The Freedom of Information Bill is the other most contentious issue in that part of the Queen's Speech that we are debating today. I am no great advocate of freedom of information for its own sake. It is important principally because democracy works only if the people and the legislature know what the Government are doing. There must be a purpose to the Bill.

As I have limited time, I shall make only a few points on that subject. If the information commissioner—or possibly the ombudsman—does not have the right to decide which information is released, the Bill will not be worth the parliamentary time that will be given to it. If it is a fundamental component of the Bill to leave the right to make such decisions with the Executive, that will completely undermine its purpose.

My second point relates to the fact that the primary thrust of the defences of the Executive—I shall put it as crudely as that—built into the system seems to be the protection of Ministers and policy grade civil servants. After some time as Chairman of the Public Accounts Committee and as a Minister, I perhaps view that as inevitable. Even so, making class judgments about information is just wrong, and should give way to a simple harm test. It cannot be right that it is possible, under the Freedom of Information Bill, for the Government to withhold, for example, scientific data from the public.

I offer the Minister a mischievous test, but one that could be applied well. In my judgment, the Bill will be successful only if it leads to all the opinion polls—which the Government are spending so much taxpayers' money on commissioning—being published on the day of their receipt. Everyone will then understand what is in them. There is no possible harm that publishing an opinion poll can do except, perhaps, to the political interests of the Labour party.

My final point is not mischievous, but serious. I take the view that the severe constraints against policy advice coming into the public domain are excessive. I have heard ad nauseam the arguments from the Cabinet Office and others about why releasing such advice would change the behaviour of civil servants. Although the principle might not apply to negotiations and certain other occasions, it is almost always possible to release—subject to a harm test—the options presented to a Minister and the facts that underpin them.

Such options are the most severe constraint that the civil service places on Ministers. Very few Ministers invent their own options, but, after the event, it is important to assess how well a Minister judged the various options presented to him. As drafted, the Bill would not allow for the release of such information and I

[Mr. David Davis]

would like it to be redesigned to allow for that. That alone will enable us to assess how well the Government work and how effective they are now and will be in the future.

6.33 pm

Mr. David Taylor (North-West Leicestershire): I am grateful for the opportunity to speak in the debate on the Gracious Speech, which contains a host of measures that I and many other hon. Members will want to support. In particular, I welcome the proposal to introduce a Bill promoting e-commerce, which I am certain will make Britain a competitive player at the heart of the digital marketplace as well as keeping us at the forefront in this vital area.

I also welcome the proposals to reform our electoral procedures to increase participation in elections. North-West Leicestershire has traditionally been an area of high voter turnout. Indeed, with more than 86 per cent., the constituency recorded the highest turnout in the United Kingdom at the 1992 general election and it obtained the English silver medal in 1997. Legislative change that can enhance participation is vital, and constituencies such as my own can lead the way in contributing to the debate on improving our democracy.

The planned Bill to give people greater access to the countryside and to improve protection for wildlife is good news for the people of North-West Leicestershire. Much of my constituency has a long history of mining and mineral extraction. With deep mining gone and the end of opencasting not far away, our environment is now steadily recovering from the massive physical impact of those years. We greatly value such important wildlife habitats as we have and it has been a source of concern that landowners have neglected key sites of special scientific interest and have frustrated public access to some of our beautiful countryside. The Bill will be widely welcomed for its attempts to encourage landowners to recognise their wider responsibilities.

I am pleased to hear of proposals in the Queen's Speech to ban fur farming. Along with many other Members, I was dismayed at the failure of the Fur Farming (Prohibition) Bill, which was promoted by my hon. Friend the Member for Liverpool, Garston (Maria Eagle). I am certain that the House will welcome the end of this cruel and unnecessary practice and I wholeheartedly support this long overdue measure to end something that inflicts so much suffering by caging territorial animals such as mink.

I wish to take the opportunity to highlight briefly the subject of animal welfare, which concerns Members on both sides of the House. In particular, I shall refer to pharmaceutical testing and to animal husbandry, in both of which there is a need for change that has not yet been flagged up in the Government's legislative programme.

Let me outline the basic case for pharmaceutical testing on laboratory animals, which still runs at the enormous figure of 2.7 million procedures a year. The vast majority of such procedures are carried out for medical or biological research. Even in today's high-tech society, some animal testing must take place. It is necessary to ensure the protection of people who would otherwise not benefit from the treatments that are constantly under development.

There are three broad stages to the argument in favour of animal experimentation. First, turning a scientific theory into a new medicine takes, on average, 12 years. During that time, computer models of new molecules will be studied, thousands of variations will be investigated in the test tube and a small number will go on to be studied in animals. Then, if doctors and scientists are confident that they can do it without undue risks, the potential new medicine will be studied in people.

Secondly, animal research is important in helping scientists to evaluate the safety and effectiveness of new medicines. That is because most of the effects of a new medicine that are not yet predictable by using computer models or test-tube research can be seen in well-designed and well-conducted animal studies.

Thirdly, the biological similarities between ourselves and other animals are substantial. Animal research therefore provides guidance enabling researchers to bridge the gap between the test tube and the patient. There are, however, many species differences between ourselves and other animals, and they cannot always be taken into account.

Some Members, including my hon. Friend the Member for Newport, West (Mr. Flynn), believe that animal experiments are poor science, unreliable and ineffective and that they are only rarely defensible. I know from my postbag that many electors share those views. Many of us look forward to the day when laboratory testing on animals is rendered irrelevant through technological advance, but, for the time being, we accept the basic need for some testing. The Government have honoured numerous commitments on the use of animals in scientific procedures and they are to be congratulated on that. My concerns relate particularly to the adequacy of existing inspection and controls.

As hon. Members are aware, there is widespread support in the House for a tightening of the legislative framework that governs the practice of animal testing. We must not be complacent on the basis that Britain is regarded as having one of the toughest regulatory regimes for such testing. We need not only to strengthen our regulations but to lead the way in ensuring that other European Union members follow our example.

It is of course true that, by making our control frameworks more rigorous we run the risk of exporting animal experimentation to countries with lower standards than our own. Change must therefore be sustainable and must not seriously disadvantage medical research in the United Kingdom or threaten public safety.

Hon. Members will be aware that all applications for animal testing are dealt with on an individual basis, and before any test can go ahead, three criteria must be satisfied: that there are no alternatives; that any suffering by animals is outweighed by the potential benefit to humans; and that the minimum suffering is caused to the smallest number of animals. The guidelines covering the housing and care of animals are detailed in a code of conduct under the terms of the Animals (Scientific Procedures) Act 1986.

Those guidelines have been shown on many occasions to be too lenient and have often resulted in unacceptable suffering to animals. One area worthy of mention is the need to tighten the inspection of laboratories. I understand that they are often made aware of inspections in advance, sometimes for valid reasons. However, that means that

possible breaches of the code of conduct can be covered up. The National Anti-Vivisection Society has vividly demonstrated the shortcomings of that approach, and has revealed how advance notice of inspections has in some cases led to a false environment being shown to inspectors.

The existing regulations on the handling and care of animals need to be tightened and more rigorously enforced. In a number of recent cases, the standards in certain breeding establishments have been sharply criticised. Campaigners say that cramped conditions are endemic and that there is chronic over-breeding. Poor levels of care and lack of human stimulation and social contact are said to be far too common.

A recent focus of attention has been the undercover investigation carried out over 10 months by the British Union for the Abolition of Vivisection, at the Harlan UK site at Belton in North-West Leicestershire. Having visited that breeding establishment shortly before the findings were published, I have some knowledge of its operations, and I shall be pressing for the earliest completion of the inquiry announced in the House on 14 July. The serious allegations made deserve thorough investigation, and I hope that the House can expect a statement and debate in due course.

In summary, I feel that the published evidence on some centres is compelling and I am convinced that guidelines are too lax, guidance is too often unspecific and breaches are too frequent. The Home Office itself recognises that changes need to be made. I urge the Minister to accelerate those changes and to appoint more inspectors in addition to those who have already been added to establishments for those purposes.

Before I leave the topic of animals in the laboratory, it is worth me reiterating the principle of the three Rs—reduction, refinement and replacement—which is a policy on which my party campaigned at the previous general election. First, there is a need to reduce the number of animals used in testing. Secondly, there must be refinement to cut down the suffering of animals. Thirdly, there must be the replacement, wherever possible, with non-animal methods of pharmaceutical testing. Those three Rs are as important to the welfare of laboratory animals as are their namesake to the standards of education. An annual report to Parliament demonstrating the trends in the three Rs is important in both cases.

In the long run-up to the May 1997 election, Labour said that we would support a royal commission to review the effectiveness and justification of animal experiments and to examine alternatives. I believe that this Session is the time for the creation of that commission.

My last point concerns farm animal welfare. Our Government have successfully promoted that matter on the EU agenda, and we have already succeeded in leading in the way in Europe to a treaty protocol on animal welfare. That will ensure that, at long last, future regulations will have to treat animals as sentient beings, not mere agricultural products.

As with animal experimentation, due regard has to be taken of the economic impact of any standards in the United Kingdom, which are higher than those anywhere else in Europe or the world. Some people believe that EU and World Trade Organisation regulatory frameworks tend to produce animal welfare standards at the level of the lowest common denominator. That concern clearly needs to be addressed, particularly in the light of the WTO millennium trade talks which will commence in Seattle a week today.

Three aspects of present-day farming methods particularly trouble me: pig production, battery hens and broiler chickens. Time constraints are such that I will refer, briefly, only to the latter. Around 800 million broiler chickens are bred, killed and eaten in our country every year. Almost all are kept in overcrowded, windowless sheds where the floor is invisible because of a thick carpet of chickens.

In such an environment, stockmen cannot monitor and inspect birds adequately. Consequently, millions become diseased, injured or die with no treatment whatever. They are bred to slaughter weight in only six weeks—a rate of body growth that leaves trailing behind leg, heart and lung development. In a humane society, it is appalling and unacceptable for animals just weeks old to be crippled and suffering from heart disease. Much higher husbandry standards are a moral imperative.

The way in which a nation treats animals is a measure of its wider values. I am encouraged by Government progress so far. We are trying to remove cruelty to animals, not just because of health and environmental concerns, but because it is morally right so to do. My party has consistently shown itself to be the only one to trust on issues of animal welfare. I have outlined two priority areas for parliamentary attention: animal experimentation and farm animal welfare.

No doubt, the spotlight of publicity will fall on any Bill introduced this Session to ban hunting with hounds, and I, for one, am likely to back such legislation. But is not tougher regulation on the treatment of laboratory animals and of battery and broiler hens much more important in alleviating suffering? For every fox killed by the hunters in red coats, there are at least 200 animals killed by experimenters in white coats. For every rodent killed in a laboratory in the interests of our health, there are 200 hens killed, often in inhumane conditions, in broiler units in the interests of our nutrition. Surely we must get our priorities right. Foxes can wait.

6.47 pm

Mr. Andrew Rowe (Faversham and Mid-Kent): Let me begin with a word of commendation for the Government. I applaud the new goals and increased funding given by the Government to international development, but I find it extraordinary that while the Department for International Development toils round the globe trying to create local capacity, building leadership and encouraging empowerment, we at home seem to have learned nothing at all.

It is 25 years since I was a consultant to the community development projects funded by the Home Office, but what have we learned from all those years of experimentation? Almost nothing. Our inner-city estates are still no-go areas. They are hell on earth for generations of decent people who are trying to raise their families. Nothing better sums up the bureaucratic establishment's attitude to local empowerment than the comment of one of my local chief executives who, in reply to my proposal that community groups on one of my local housing estates should be given money to spend at their own hand, said, "I don't think we should give them any money; they have a poor record of honesty". I believe, however, that it is through local responsibility that crime and disorder stand the best chance of being reduced.

[Mr. Andrew Rowe]

The sad thing is that the Government, even more than their predecessors, do not trust people. For all their rhetoric, the Government clearly believe that the man in Millbank knows best. What people on the ground want is often very simple—they want a street lamp repaired within 24 hours; they want the bins emptied and the mess surrounding them cleared away swiftly; they want their local green spaces cleared daily of dog shit and drugs impedimenta; and they want broken fences mended, spaces provided for their children to play, and so on. Many on the estates would welcome the chance to enhance their income and their self-esteem by being paid to deliver those local services, but they are not trusted to do so.

For more than 30 years, I have argued that if a group of energetic citizens on an estate are prepared to have a go they should be encouraged, while if those on another estate want to hand back their responsibility to the local authority they should be allowed to do so. If we can preach to half the nations of the world the advantages of trusting local people with responsibility, what prevents us from trusting British people in the same way?

As one example of the Government's failure to turn their rhetoric into reality, I shall cite my personal experience. I am very glad that the Minister of State, Home Office, the hon. Member for Norwich, South (Mr. Clarke), is on the Front Bench as he has been so helpful to me on this matter.

As I have told the House before, I am chairman of the widely based steering group that is determined to bring about the first sitting of a United Kingdom youth parliament in 2000. We hear much about the Government's determination to increase the involvement of young people in the political process; it is part of the programme announced in this year's Queen's Speech. Indeed, the inclusion of citizenship in the national curriculum is being prepared as I speak. I have mortgaged two years of my life by agreeing to serve on the working group. We also hear much about the Government's desire to find out what the population think about policy questions, and I am sure that the Government mean it.

Our project has had a gratifyingly warm welcome from Ministers at the Department for Education and Employment, and even support from No. 10 Downing street. In spite of all that support, which is mirrored by that of 330 Members, the Government seem to find it impossible to provide any financial support. I think that they want to but are finding it very difficult to do so.

How much money am I looking for? Just one salary for one staff member could service the steering group and organise the private sector fundraising drive. I know that there is no shortage of good will, and I greatly appreciate the ministerial encouragement that I have been given, but is it not a sad commentary on the holes in the joined-up government that £30,000 is too difficult to find? We have engaged many young people in the design of the project. If we used the stakeholder concept of matching money to the hours put in by young people, we would have already invested enough.

It is small wonder that the huge number of young people who are enthusiastic about the project, and the reality that it offers of having their voices heard by Government, are becoming deeply disenchanted. Every youth forum in the country—there are more than 250—knows about the plan to launch the UK youth parliament. Those forums cannot believe that it is so difficult for a Government who support the project to find a sum so very much smaller than the cost of the Lord Chancellor's wallpaper. It will be very sad if we have to close because we do not have the resources to carry on.

No group in the population is more important than the young. Much of what I see among them is wonderful, inventive and clever. They are keen to be compassionate and well informed about the world and optimistic about the future and their part in it. Many of our young people are a credit to themselves, their families and their schools. Indeed, as the 18,000 schools that have signed up to JC 2000—the millennium arts festival for schools—prepare their artistic creations for their contribution to the millennium celebrations, we are seeing just how much talent there is.

There is also much to worry us, however: 11,320 young people are locked away in penal institutions; 55,300 are in the care of local authorities; 31,900 are on child protection registers; 800,000 are said to have no contact with their natural father; and 184,000 were convicted of offences last year, although the Audit Commission believes that 7 million offences were committed. What a colossal reservoir of damage to our society, both now and for generations to come.

What is our response to all that? Why, it is to be more and more punitive. One of the most distasteful spectacles on offer to the House is that of the two Front-Bench teams each vying to be the more punitive. Secure in the approbation of their focus groups, the leading politicians of one of the richest countries on earth compete to see who can take the harshest measures against their own children. I understand the urge to do that; I feel as frustrated as anyone at the insolence and threatening behaviour of so many children and young people. I am as ready to rail at the vandals and hooligans who destroy the quality of life of so many, but let us not forget that these are our young people—the product of our society and our way of life.

Many of those young people have not known a word of approval since they were born. Many have never sat with their parents to take a meal together, or been expected to talk to other people in anything but the coarsest of language. Left to their own devices when they are not being hurt, threatened or abused by adults, it is small wonder that they seek self-esteem where it can be found. For many of them, that is in outwitting the police, threatening defenceless adults or taking and driving away the cars that they see no prospect of ever earning enough to own.

Such children are almost custom-built for drug traffickers, and, once they are addicted, the thieving moves from a recreation to a necessity. Are we really proud that we have more children locked up in inhumane conditions than any other country in the European Union? What is more, we seem to be baying to double the number.

It is very common for law-abiding citizens to demand that people who have sinned in such ways against society should get what is called "their just desserts". That is taken to mean that they should be locked up in conditions that are much harsher than those experienced outside. That is indeed "just" in some primitive form of that

concept, but many of those children have already experienced life in aspects more savage than any of us or our children are likely to encounter. If they are to be recovered from their anti-social habits, they will need to be loved, and not punished, back into the human race. They have already endured so much punishment that more of it is unlikely to change them.

I strongly support the view that many young criminals should for a time be taken out of the communities that they disrupt, but, my goodness, we should think carefully about where we place them. I am emphatically not in favour of cruises and expensive holidays, but we should provide decent surroundings and a standard of care that is higher than the eye-for-an-eye school of thought would regard as proper.

If we, as a nation, do not find a way out of the spiral of neglect and abuse, we shall all suffer increasingly. If we continue to put our trust in material possessions as the principal measure of the nation's prosperity, and go on giving out the message that the only valuable activity is paid work, we shall end up in a society like Brazil's. There, the gap between the richest and the poorest is the greatest in the world, and the middle classes feel safe only if they live in a street with a security post at each end. I do not want to live like that, but we need only look at the speed with which the security industry is growing in this country to realise that such a life is on its way in the United Kingdom.

I accept that part of caring for young people is to ensure that people who work with troubled children do not prey on them. I welcome, in principle, the measures proposed in order to ensure that, but I urge caution in two respects. First, the Government must look at the cost of the checks. It will serve nobody's purpose if the voluntary organisations that carry so much of the load are forced to reduce their work because of the expense of the checks on volunteers.

Secondly, we must look very carefully at the messages that we are sending. It is already true that very few men teach in primary schools. That is a tragedy which adds to our social problems. The widespread hype about the dangers of abuse needs to be tempered by some responsible messages, valuing men who do good work with children. As part of the "Full Stop" campaign, the National Society for the Prevention of Cruelty to Children, of which I am a trustee, has issued some valuable guidance to adults on how to avoid the danger of being falsely accused of abuse. Youth workers and others engaged with children need more of that kind of help.

The constant attacks on teachers must cease. The attacks range from repeated assertions by Ministers that teachers do not deliver what they are paid to do, to physical assaults by pupils and parents. Both are damaging the profession. It would be good if Ministers spent more time building the profession's defences against the destructive pressures that undermine it, and less time appearing to blame the profession for the failure of society to look after its young.

One effect of such denigration is the fall, for the third year in a row, in the number of entrants to initial teacher training courses—to 14 per cent. below the Government's target last year. That will make the delivery of "education, education, education" extremely difficult.

Finally, I deal with devolution. The Queen's Speech announced:

> "My Government are committed to making devolution in Scotland and Wales work".

Gosh, I am relieved to hear that, but does anyone else sometimes wish that the Government were equally committed to making the Passport Agency or the planning system work, or to controlling the activities of cable companies, which appear to have carte blanche to tear up our roads whenever and wherever they choose?

Devolution is entirely fake. The Government have no desire that it should lead to genuinely different solutions or priorities. They have devolved power to Scotland not because they look forward to diversity but because they regard devolution as the best way of ensuring that their solutions are adopted. In essence, the Government are saying, "You can have a devolved right to make any decision you like, provided it's ours—just as you can choose any mayoral candidate you like, provided it's ours."

In the south-east, the Government want to devolve power to a south-east England development agency—a meaningless concept if ever there was one. Professor Crow, the Government's planning adviser, has it right when he states:

> "The region comprises essentially, but not exclusively, London and its hinterland."

However, the south-east England development agency excludes London. Its existence has nothing to do with devolution and everything to do with the eventual destruction of the county councils, because in the south-east in most years county councils are not Labour controlled.

The Queen's Speech, like the Government, is long on rhetoric but short on delivery. It shows that the Government would rather remain in thrall to popular opinion than make their own judgments. We are all in grave danger of being left worse off in the medium term. I am disappointed.

7.1 pm

Siobhain McDonagh (Mitcham and Morden): I am aware that many of the measures outlined in the Gracious Speech fall within the responsibility of the Home Office, but, while not decrying the importance of any of the proposals, I shall restrict my comments to the promised

> "Bill to reform our electoral procedures to make it easier for people to participate in elections."

That measure could not have come at a more opportune time.

Participation in all forms of election—national, local authority and European elections and by-elections—has fallen alarmingly in recent years. Even more worrying is the fact that 18 to 24-year-olds are 10 per cent. less likely to vote than the national average. We each have our own theory about why that is the case, but the Government are surely right to act to halt—even to reverse—the trend.

It would be quite wrong to believe that the only reason for falling turnout is the arcane electoral practices that we currently employ in this country. To reverse the decline in participation requires both a political solution and practical improvements. We must demonstrate that the House is relevant to people and that its Members are not remote or out of touch, as we sometimes give the

[Siobhain McDonagh]

impression of being. The problems facing our colleagues in local government and in the European Parliament are even greater. That debate must continue.

It would be foolish to ignore genuinely practical steps that can be taken now to ensure that participation in elections is maximised. The introduction of a rolling register is a simple but profound reform—no longer should the wholly arbitrary date of 10 October decide who can vote, and where. It is estimated that the electoral register deteriorates at a rate of about 1 per cent. a month. Given that the cut-off date is 10 October and that the register is not published until February, 5 per cent. of the population have already "dropped off" before the register is even published; and by the following February about 17 per cent. of those registered will have dropped off. That is a national average: many hon. Members will find far higher drop-off rates in their own locality. The population is far more mobile than ever before. A rolling register can meet the demands imposed by that mobility and make it easier for people to transfer their registration from place to place.

I am sure that there is a perfectly valid historical reason for elections always falling on a Thursday. Perhaps that is still the best day on which to hold them. I am sure that the millions of schoolchildren who enjoy an extra holiday when their school is used as a polling station will be vehemently opposed to weekend voting. However, the Government are right to give local authorities the go-ahead to experiment with days, times and venues for casting ballots. I have already written to the chief executive and the leader of my own borough of Merton to encourage them to apply to pilot such local schemes.

Although I welcome the measure to ensure that everyone who applies for a postal ballot is allowed one, we should consider going further. I can see no reason why we cannot have all postal ballot elections, although we must safeguard against fraud and cheating. Elections in Britain have been relatively free of serious electoral malpractice, but perhaps we have weighted the balance too far in favour of caution at the expense of encouraging maximum participation.

The Government's stated aim is

"to make it easier for people to participate in elections."

There are two ways to participate—as a voter and as a candidate. The Government have introduced a range of measures designed to maximise participation by the former but, alas, none for the latter.

I have brought to the Government's attention the outrageous anachronism of the clergy disqualification Acts, which date back to the mists of ancient law but remain on the statute book. In the previous Session, I introduced, with cross-party support, a Bill to sweep away such restrictions in accordance with the recommendation of the Select Committee on Home Affairs. Although the Bill announced in the Queen's Speech is based on the recommendations of the committee chaired by the then Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), which, in turn, drew on the Select Committee's report, it omits the Select Committee's recommendations on clergy disqualification. I hope that, during the passage of the legislation, the Government will take the opportunity to right that historic wrong.

7.7 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): When in opposition, the current Home Secretary declared that he opposed any further restriction on the right to jury trial. He admitted that today, adding that, at that time, he had said that any further restriction would be unworkable. The previous Administration had a stab at imposing such a restriction, but stopped in 1993, in part because there was such huge opposition to the measure.

I, too, believe that such a measure would further erode a fundamental right, which, we learn today, has existed since the reign of Edward II. The mere fact of its having survived so long must be testament to the efficacy of trial by jury: it is trial by one's peers, free of any extraneous influences. I declare an interest, in that I am a practising barrister. I also declare an understanding of the system, which may put me at variance with certain Government Members.

Somehow, the system of trial by jury has become costly and unreliable. To the hon. Member for Lewisham, East (Ms Prentice), I say, yes, I was in a magistrates court two or three weeks ago and I shall no doubt be in one in another two or three weeks' time—in a professional capacity, I hope. I have nothing against magistrates courts. However, I have yet to hear either a Labour Back Bencher or a Minister state what is wrong with trial by jury. The hon. Lady made a considered and eloquent speech, but she could not explain what is wrong with it. The Home Secretary did not even try, saying merely that the practice was a mediaeval one, which hardly justifies scrapping the principle or eroding it further.

I do not know what the explanation is, but an examination of the issue of cost might provide a clue. In *The Guardian* yesterday, there was an interesting letter from Professor Lee Bridges of the University of Warwick, who referred to an earlier report on the subject. He said:

"there are not 24,000 defendants who elect jury trial a year. The latest figure is just over 18,000, a number that has been cut by nearly half since the royal commission . . . reported . . . There is no home office research that shows that 'more than 70 per cent. of defendants who opt for jury trial' plead guilty. The research in question . . . is 10 years out-of-date".

Professor Bridges concluded:

"Jack Straw told me in July that the plan to restrict jury trial was not a cost-cutting measure. Now he claims it will save £100m."

I do not know what the real reason is, but it is clearly not that there is anything inherently wrong with the system.

It has been said during the debate that accused want to spin out the process before appearing before the courts. That is not true. A defendant is first told, "If you're going to plead guilty, do it today. Don't waste your own time, and bear in mind you get an extra third if you don't plead guilty." That is an important factor. I can tell the House from experience that that approach helps to concentrate the mind. If a small percentage of accused decide to reject that advice, fair enough—they will face the consequences—but in practice few adopt that approach.

I am fully aware that the kill-all-the-lawyers brigade is alive and well in Parliament. That is no wonder given all the Government's spinning against fat cats: indeed, they spin against silks who allegedly make huge amounts of money, before they ennoble them.

The hon. Member for Lewisham, East obviously has considerable antipathy towards lawyers—and although I do not necessarily defend them, speaking as a lawyer,

I am pleased I never appeared before the hon. Lady. There was no possible justification for what she said: she had no reason to support the Government's line. If any hon. Member wishes to intervene to give me one reason why a jury trial is wrong, I shall give way.

Learning from the previous Government's experience, no doubt, the present Home Secretary has been careful to elicit the judiciary's support. We understand that the Lord Chief Justice, no less, is on board with a modicum of unenthusiastic support after the inclusion in the Bill of a right of appeal to a judge in either-way cases. That right does nothing to detract from the insidious nature of the measure. If the Bill is cost driven, I wonder what appraisal has been made of the inevitable appeals against an election. Surely the Crown courts will be hearing tens of thousands of extra appeals in a climate in which the courts generally are already heavily overburdened with work.

Mr. James Clappison (Hertsmere): There will be delay.

Mr. Llwyd: That is another point. Justice delayed is justice denied, as we all appreciate.

One of the oft-repeated phrases in this place is, "If it ain't broke, don't fix it." I believe that the individual's right to elect for jury trial is a constitutional safeguard which we should enhance: it certainly should not be eroded further.

The background notes state:

"In deciding where the trial should be held, the magistrate would be required to consider the effect of conviction on a defendant's reputation and livelihood."

Perhaps I can assist the magistrates: it is not a very good thing for anyone to have a conviction, and clearly it is worse the first time round. As the right hon. and learned Member for Rushcliffe (Mr. Clarke) asked earlier, why should we offer one level of justice to an unconvicted person and another to someone who might have been involved with the law many years ago? That approach would be a denial of natural justice and of standard justice for all.

Some weeks ago on "Newsnight" a sample 12 members of the public were convened as a jury. They had to decide whether to support the Government's proposal. A new Labour Member, who is a barrister, appeared on-message on behalf of the Government. When he began, three of the 12 were in favour of the Government's proposals. When he finished, all 12 were against him. It is as well that he is making a living in this place—although he had the redoubtable Michael Mansfield QC on the other side, and no lawyer would much fancy that. On a more serious note, if the group of 12 had been a focus group, perhaps the Bill would not have seen the light of day.

Earlier, there was a considerable knockabout on police numbers. I am not convinced that they are dancing in the streets in north Wales. It is clear from the letters that I receive from the North Wales police authority that it is in a quandary.

Let me move on from those highly negative comments, which I think are justified. In due course, we shall see the contents of the relevant Bills and we shall be able to discuss them.

I wholeheartedly welcome the proposed race relations amendment Bill. I am pleased that the Government have decided to introduce it. As for mandatory drug testing, no one in their right mind would ever justify the taking of illicit drugs, but is the test meant to introduce an aggravating feature in respect of the original offence for which the individual was arrested, or is it an entirely separate matter? If the Government's line is that mandatory testing will enable us to find more people in need of immediate help to deal with their drug habit, I am sure that we would all support it. However, if it is meant to tack on an added offence because the individual had drugs in his or her system, or it introduces an aggravating feature to the original offence, that causes me some worry. We shall wait to see what the conclusions are. I hope that the Government are considering the need for early intervention in a person's drugs life, in which case I think the Bill will be a useful step forward.

As for the reform of the probation service, I hope that the service will not go the way of other agencies in terms of access to justice. Magistrates courts are closing at an alarming rate. My constituency of Meirionnydd Nant Conwy stretches 100 miles from north to south and a similar distance from east to west. When I first began practice in the mid-1970s, there were seven magistrates courts. Now we are down to one, and there are some rumours that even that is under pressure. That is an appalling indictment of any scheme of access to justice. I hope that we are not looking at an over-centralising of the probation service, as that could only be to the detriment of the service and its clients.

I have grave worries about local justice. Recently we read the Lord Chancellor's intention of having a working committee on magistrates vis-a-vis stipendiary magistrates, to examine variations in sentencing among lay magistrates. Forgive me, but I have always thought it important to have justice tempered with mercy; that no two defendants are the same; and ergo that there will be differences in sentencing. Surely that is plain and obvious. I hope that we are not seeing the commencement of the endgame of introducing stipendiary magistrates throughout the United Kingdom. That would be a grave mistake.

I wholeheartedly support the Bill on special educational needs. I applaud the Government for introducing it and I look forward to its implementation. The Bill on post-16 education is again to be welcomed. I am sure that it is something on which we can build. The new Bill will enable the National Assembly for Wales to put in place new structures on which it has already decided. I am proud to say that, for once, Wales has stolen a march. The primary legislation will make it possible for the Welsh Assembly to proceed, and obviously I welcome it.

All in all, this is a wide-ranging Queen's Speech. There are obviously very good things in it, but there are also areas of concern. We are all concerned about social exclusion, yet there is nothing to encourage us in respect of social housing and dealing with housing crises and homelessness. There is nothing of any great cheer for those who live in rural areas, which are suffering greatly in a deepening crisis. That applies not only to agriculture but to the entire rural economy. It behoves us all to impress on Government the need to examine the rural crisis. Swathes of rural areas in England, Wales and Scotland are under threat, and that problem requires special attention. For example, we should be considering our town and village centres and making it more attractive to renovate properties rather than to engage in new build, coupled with a tax to act as a disincentive to continue to

[Mr. Llwyd]

build on greenfield sites. For example, we need to consider lowering VAT on renovation as a positive step forward.

I am disappointed that many of the measures that we should be considering do not appear in the Queen's Speech. However, there are clearly good things about the Gracious Speech. I believe that 28 Bills are referred to, although the right hon. and learned Member for Rushcliffe gave a figure of 32. I defer to his greater knowledge of figures, bearing in mind the fact that he was once the Chancellor of the Exchequer. However many Bills there are, they are varied.

I hope that, in the present Session, the Government will also attend to the deepening crisis in rural areas, and that we can all look towards assistance for our constituents who are suffering as a consequence.

7.20 pm

Ms Linda Perham (Ilford, North): In my contribution to this important debate, I shall comment on the continuing commitment to reduce infant class sizes, the hope offered through the new deal to the long-term unemployed, particularly via new deal 50-plus, and the proposals for post-16 education through the new learning and skills councils. I shall also touch briefly on the reform of electoral procedures.

Parents and teachers are convinced that, for younger children, smaller classes are vital so that more attention can be given to them at the start of their great journey into learning. The Labour Government's early pledge to reduce infant class sizes is of special importance to me, because for eight years I was a member of the Labour group on the London borough of Redbridge. We campaigned for many years for smaller primary classes, against the implacable opposition of the then Conservative majority council, whose dismal record included tolerating a situation in which, in 1993, more than 8,500 children—53.5 per cent.—were in primary classes of 31 or more.

In May 1994, for the first time in 30 years, Labour was elected as the largest party on the council on an education manifesto—I know because, as the then education spokesperson, I wrote it—that included a commitment to provide additional resources to primary schools towards reducing class sizes to a maximum of 30. On that pledge, we were ahead of new Labour.

By January 1996, 48.5 per cent. of key stage 1 pupils were in classes of 31 or more. By September 1999, just two months ago, that figure had been reduced to 11 per cent for key stage 1. The admission of pupils in units of 30 will allow gradual progress to be made in lowering class sizes throughout Redbridge's primary schools—not just at key stage 1.

I applaud the determination of my right hon. and hon. Friends at the Department for Education and Employment to drive through progress towards the fulfilment of that key pledge. More than 300,000 infants are already in smaller classes than would have been the case had the Tories continued their year-on-year increases in class sizes.

Because of my work inside and outside Parliament on tackling age discrimination, and following my private Member's Bill, the Employment (Age Discrimination in Advertisements) Bill, I especially welcome the proposals in the Gracious Speech for the extension of the new deal. I agree with the Third Age Employment Network, which states:

"New Deal 50plus is significant and more radical than any other part of New Deal",

because for the first time the Government have backed a programme specifically to support with a budget of £270 million older people's opportunities for training and work.

It is pleasing to see that the deal is voluntary and open to those over 50, and that it does not cut out at 65. It thereby recognises that those over retirement age still have much to offer the country and may want to take up new opportunities.

Given my interest in Start-Up in my constituency, a support and resources group for the new business person, I am particularly pleased that the deal applies to those seeking self-employment as well as employment. However, I am concerned about the length of time before people can claim help. For older workers, six months is a long time to wait after being made redundant or registering for benefits. Also, some people may be discouraged from becoming involved by the lack of a guarantee of level of benefit should the new job or enterprise be lost. I should welcome assurances on those matters.

My next set of comments relate to the establishment of local learning and skills councils—LLSCs—and other moves in post-16 provision. Although I broadly welcome the proposals, concern has been expressed to me by the London East training and enterprise council—LETEC—which is uncertain whether activities, initiatives and innovative projects in which it is engaged will be continued by the LLSC.

Will the LLSC have the flexibility and the funds to support the young workers programme, which has concentrated on improving young people's employability? LETEC has also been involved with the reading partners project, which has had a highly valued effect on our infant and primary schools. Will that fall within the remit of the LLSC? Will the LLSC maintain and extend the direct contacts that can be forged by TECs, continuing the extensive range of local partners, including employers, and focusing on deprived communities and social exclusion?

Surpluses at LETEC have been used to develop useful community networks—including the Redbridge signposting centre for refugees, migrants and the long-term unemployed, work to provide training possibilities for the people of the Orchard and Ray Lodge estates, and the Redbridge safer communities project—and to broker access to training between individuals and providers.

There is to be a transition period from the TECs to the LLSCs. I am sure that the Department's aspiration to retain the skills and experience found in the TECs is genuine, but an 18-month transition period could be long enough for talented staff to ooze out of the system.

The Labour Government have much to be proud of in education and employment. Education standards are being driven up and unemployment continues to fall, but much more needs to be done. The commitment to build on our achievements is clear in the Gracious Speech.

Finally, on the review of electoral procedures, I welcome the efforts of the working party on electoral procedures and the measures proposed in the

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representation of the people Bill, which were highlighted by my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), to increase public participation in the democratic process. However, I hope that there will be a commitment to take forward a public debate on the introduction of compulsory voting.

Such a system would undoubtedly improve turnout, as is evidenced in the democracies where it is in place. In Australia in the House of Representatives election in October 1998, there was a 95 per cent. total vote as a percentage of the electorate. A MORI poll of 1991 showed 49 per cent. of British people in favour of compulsory voting and 41 per cent. opposed. Following the abysmal turnouts in recent local and European elections, surely it is time to engage in debate and consultation, as recommended in the Home Affairs Committee's observations on electoral law and administration, which were issued last month.

The introduction of compulsory voting would transform public involvement in the democratic process, so that efforts directed at getting out the vote could be focused instead on policies and issues. The vast majority of British people would want to make an informed choice at the ballot box, and the measure would provide a real chance for meaningful voter education, resulting in a much more representative mandate for future Governments.

7.28 pm

Mr. Laurence Robertson (Tewkesbury): I apologise for being unavoidably late and missing most of the opening speeches. I was, of course, present for the Queen's Speech. I shall deal with only one aspect of it this evening, so I shall probably not take up the full time allowed to me.

The Queen's Speech referred to the plan to introduce a Bill in respect of special educational needs. We look forward to seeing the Bill, although I am not sure what it will contain. I take a different approach to that taken by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), who is not in his seat.

The Government introduced the subject of special educational needs in a Green Paper some time ago and called for further integration. In principle, that is a good theme, but it has its limits. One of the dangers of integrating pupils with special educational needs into mainstream schools is that that can be taken to an extreme—as is happening in Gloucestershire, where the Liberal Democrat and Labour groups are bringing about more integration than is good. I support the principles of integration and inclusion, but even more important is that education should be appropriate, and that should take precedence over integration and inclusion.

I want to speak for a moment about my education, which should not take long because it was not that great. I am probably one of the few hon. Members, perhaps the only one, to have had the distinction of going to what was called a secondary modern school, having failed to negotiate successfully the 11-plus. Nevertheless, it was an appropriate school for me, and I had good academic and moral education. However, parental choice is now under great assault; grammar schools and grant-maintained schools are under assault, and special needs schools are in danger of coming under assault. Such an assault would be most inappropriate because integration is not always the best option.

I declare an interest in that my wife is the Conservative education spokesman on the county council and recently she has been much involved in special needs debates. I also have a godson who is profoundly deaf. He has been to both special educational needs and mainstream schools, but he found it difficult to cope with life in a mainstream school and had to go back to a special school.

During the debate in Gloucestershire, my wife and I received many messages of support for our belief that not all integration is appropriate. Those messages came not only from those from whom one would expect them to come, but from head teachers, teachers, governors, parents and children. Children wrote to us saying, "Please keep our school open." Their letters were often difficult to read because they were so emotional.

Alderman Knight, a special school in my constituency with special pupils, does a marvellous job, but everyone connected with that school feels that it is in danger of being closed because of existing integrationist policies as well as anticipated measures in the Bill. Many pupils at that school have special educational needs and some also have a physical disability, creating yet another special need in itself. Such children need special care, attention, education and understanding, which only special schools can provide. I am in no way doing down mainstream schools, but they cannot provide such care, attention, understanding and education. They do not have the resources, expertise, training, time or patience to cope. Not only children with special educational needs but mainstream pupils can suffer in such schools. Special needs pupils could be subject to bullying and ridicule and could become disruptive, causing everyone to lose out. The option of a bolt-on unit to a mainstream school for children with special educational needs would be even worse, discriminating further against such pupils and exacerbating any problems.

I hope that in my short speech I have made the point that, while we all want children with special educational needs to be integrated and included as far as possible, there are some children for whom that is not appropriate. I hope that when the Bill is published it will not be driven by dogma or financial considerations.

7.35 pm

Dr. Desmond Turner (Brighton, Kemptown): I wish to make some brief observations on two or three of the Bills in the Queen's Speech, starting with the Freedom of Information Bill. The Secretary of State described it as a bold measure. The White Paper was certainly bold, starting from the presumption that all public information should be available subject to the test of substantial harm—something for which we have been waiting for a long time since it brings to an end the ridiculous situation where information not available in Britain can be obtained from a public library in Washington, which is patently absurd.

Unfortunately, something happened during the White Paper's translation into the Bill. I can only assume that Sir Humphrey got at it, together with his friends. The result was the introduction, at a rough count, of 24 classes of exemption. Some of those are reasonable exemptions, including the national security interest and the protection of private individuals, which no one would question. But information concerning the economy, the environment and Government decision making is crucial, and it is axiomatic

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[Dr. Desmond Turner]

that at least the factual information that underpins Government decisions should be in the public domain. Without that, the Government cannot claim evidence-based decision making and transparent government.

Clearly, we do not want to publish confidential Cabinet memos which might be embarrassing. They will be leaked anyway, so to exempt them leaves journalists something to ferret around for—but the basic presumption of information unless there is substantial harm is the only proper way to proceed. I hope that the Secretary of State will be amenable to withdrawing many of the exemptions, or, if he wishes to retain them, at least to modifying the test so that the presumption is the publication of information unless substantial harm can be demonstrated.

The Home Secretary referred to there having been a culture change in relation to information, and that is right, but that change needs to be incorporated more firmly in the Bill than is currently the case. All information in the public domain but not released is publicly owned; it is our information. The onus is on the Government to demonstrate why it should not be released rather than to withhold it. If the Home Secretary will go just a little further than he has been prepared to go so far, we will have a Freedom of Information Bill of which we can all be proud.

The Home Secretary has taken a lot of stick tonight for the proposals on trial by jury. I must come to his defence and say that I have been convinced by his arguments. It is not the most vital issue and I may question the need for the measure, but I do not believe that it—

Mr. Peter Brooke (Cities of London and Westminster): When the hon. Gentleman refers to the Home Secretary's arguments, does he mean those that the Home Secretary deployed in the last Parliament or in the current Session?

Dr. Turner: I am speaking of the current Home Secretary.

The moral outrage that has been expressed about the infringement of personal liberties and the threat to ancient traditions which, like most of our great British traditions, do not go back further than the Victorian era, is over-hyped. That its source is the barristers' trade union gives me pause for thought.

The Queen's Speech proposed two important education measures. The first is the Bill on the Learning and Skills Council. Up to now, post-16 education has been a disorganised mess. It has grown like Topsy and has been messed about and modified, and there is no level playing field for those who work in the sector. A-level education can be obtained in four different categories of institution: the sixth form at school, sixth-form college, tertiary college or further education college. Each category is treated differently when it comes to funding administration. For example, a sixth-form college receives only 80 per cent. of the capitation for an A-level student that a school sixth form receives. Such disparities create enormous difficulties for sixth-form colleges, which suffer intense budgetary problems and increasing class sizes. My local sixth-form colleges teach classes of up to 20 students. That begins to be too large for effective A-level teaching—classes should not be too small, but they should certainly not be too large.

It makes sense to bring all the categories of institution under one organisational head. I hope that there will be a funding formula for all the institutions that gives them an even break so that a student will be worth a given amount of money regardless of the sort of institution he attends. That is fair and just.

Other anomalies should be tackled. For example, a sixth-form college can fund a pay award for its teachers only through efficiencies—by reducing the number of staff to pay the award to those who are left. Innumerable issues surround the administration of post-16 education, and the proposed Bill will give us the opportunity to tackle them. We cannot judge the Bill on the way in which it deals with those problems because it is not yet available, but I trust that the measure will take them into account.

The Learning and Skills Council will also have responsibility for curricular matters. That is important. The structure of available qualifications for those aged over 16 needs to be brought up to date. Equal value should be placed on academic and vocational education, which is of equal worth to our society. Reform of A-level syllabuses is overdue because they have become too narrow and deter students from studying some subjects that are critical to our economic future. For example, there is a crying shortage of university entrants to study physics and chemistry, which are basic, academic subjects that are important to our future industrial needs. That problem is not exclusive to this country; Germany also complains of it.

A contributory factor to the problem is that when 15-year-old students have to make their A-level choices, an A-level physics or chemistry syllabus looks hard. Indeed, it is hard and demanding. I have had the pleasure of teaching A-level chemistry, and it exemplifies all that is wrong with A-level syllabuses. Boards are happy to add different aspects to syllabuses, but they hardly ever remove anything. It is hard work to get through such a syllabus and, naturally, students choose what seem to be softer options. They are not necessarily softer; they may only seem to be so.

A-level syllabuses are narrow. If we structure them in a slightly better way, and alter university entrance requirements to take account of that, we may be able to go some way towards tackling the skills shortages that are developing, to which the structure of syllabuses may contribute. On the whole, I welcome the measure on the Learning and Skills Council and I hope that it will contribute to the vital sector of education that I have discussed.

I also welcome the Bill on special educational needs. Again, it is difficult to judge it because we know only an outline of its likely provisions. I welcome it because this is the first time that a Government have specifically legislated for special educational needs and acknowledged the value of that aspect of education. It has always been the Cinderella of education and has thus always been under-resourced. It creates more difficulties in my constituency case load than any other educational issue.

Scarcity of resources means that local education authorities are reluctant to admit to the learning difficulties that many children experience. There is no cheap, simple or universal option for children with special needs, whether they are educated in special units or special schools or integrated into mainstream schools.

Children must be assessed on their individual needs and I have great sympathy with the remarks of the hon. Member for Tewkesbury (Mr. Robertson) about that.

The Secretary of State should consider the position of special schools that are run by voluntary organisations on a charitable basis, but which provide exclusively for students who are placed there by local education authorities. There are two such schools in my constituency and both cater in different ways for hearing-impaired children. Although they receive fees from local education authorities, they also have to work hard to sustain themselves through fundraising. They do not receive core funding from the Department for Education and Employment. Some such schools value their independence and do not want to be tied down through Department funding. None the less, I ask the Secretary of State to examine the relationship between voluntary schools and the state sector.

7.50 pm

Mr. Phil Willis (Harrogate and Knaresborough): I am particularly interested in the fact that, nearly four and a half hours into the debate, education is not central to it, but has merely featured at the edges. The hon. Member for Bristol, West (Valerie Davey) and I were recently in the United States and I brought back a document from there. A group of educationists from North Carolina who came to look at the United Kingdom's school system were addressed by the former dean of Oxford university's school of education, who said:

"I want to welcome you to our educational laboratory. You may conclude it is run by mad scientists and that you have had the opportunity to see it before it explodes".

That is an apt description of what I suffered for 18 years as an educationist under the previous Administration.

It is telling that, despite the launch of their new policies in "The Common Sense Revolution in Education", we have heard absolutely nothing from any of the Tories—not even the brigade who usually sit on the third Bench back and rough up Government Members and all of us who try to speak on education. They are all absent from the debate. They have proposed yet more of the old policies of division, and it is interesting to look at their amendment to the Loyal Address. They say that their policies are an attack on bureaucracy—"It's bureaucracy wot did it, guv"—as though there was no bureaucracy when they were in power.

I remember, as a head, receiving a lorry-load of bureaucracy when the national curriculum was introduced by John Patten in the late 1980s. A great cheer went up from my staff when we hired a 1,500 hundred weight van to take it to the tip two or three years later. The new bureaucracy is really about sacking head teachers, although the policy does not quite say that—it has changed from the little shop of horrors at Blackpool a few months ago. The Conservatives say that they will look at the administrators and managers of a school and that parents will be able to remove them. By the way, there is no bureaucracy attached to sacking a head teacher. An industrial tribunal might be held and head teachers and senior school managers might have rights in employment law, but that has totally passed the Tories by.

Parents will be able to have a school inspected every year by Ofsted, if they so wish. I have yet to come across a school in my constituency that is queueing up for Ofsted inspections—quite the opposite. We have come to terms with Ofsted inspections, but the idea that parents could trigger a ballot every year and invite Ofsted to undertake an inspection, at a cost of about £13,000 a school, is nonsensical. The proposed admissions policy will not cause any bureaucracy either, because the new policy is to have free schools, which children will be able to choose to attend. Every school will have its own admissions policy and will be able to take as many children as it can get. There will be no limit at all, apart from the fact that the number of children is finite. What will happen when a school does not have the physical capacity to take a certain number of children? Ah well, that is the local education authority's problem—it will have to provide education and places. That is nonsense policy that goes back to the old days in terms of confusion, division and too much bureaucracy.

I was interested in today's Conservative party press release because it reveals that there will be no more money for education; it will all come from cutting down on bureaucracy. It says:

"This morning we're launching the biggest schools consultation that a British political party has ever undertaken.

We're contacting every school in the country so we can get their comments on this new document".

I can tell the House that head teachers, who are up to their eyes in documentation, need another document to fill in like they need a hole in the head. The Tories are attacking bureaucracy by giving them more bureaucracy to deal with, but the press release goes further, saying:

"That's not to say that we haven't been busy listening already. The Common Sense Revolution in Education was put together after we consulted teachers".

The Tories are having a second round of consultation, and the debate could not go by without our spending a few minutes discussing the common-sense, or, rather, non-sense revolution.

To return to the main business of the Queen's Speech, my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) described the Government's programme as cautious and timid, and the right hon. and learned Member for Rushcliffe (Mr. Clarke) made exactly the same comment earlier. Labour's programme gives the impression of a governing party that has lost the crusading zeal that it had in opposition. It certainly had that zeal then, but has lost it since coming to power. Indeed, I would describe the Queen's Speech—certainly in respect of education—by adapting what an old Yorkshireman once said, "Hear all, see all, promise all, but do nowt."

Timidity is apparent throughout the legislative programme, particularly on education. Where is the Bill to limit class sizes for all our children? If that is important for one group of children, why is it not important for all? Where is the Bill on transparency of funding in our education system? Why is there no Bill to make clear where and how money is spent in education? In North Yorkshire this year, we passported the £13 million that the Secretary of State said we had to spend on education. The council tax rose by 9.6 per cent., but every school in North Yorkshire had its budget cut. Why? I could not explain that to them, and nor could the right hon. Gentleman, but someone should explain.

Where is the Bill to put in place the reform of the teaching profession and the new performance-related pay structures? What are the Government afraid of? This is the most far-reaching reform ever proposed for

[Mr. Phil Willis]

the profession, which will have a profound effect on every classroom in the land and on every school, yet they cannot find time even for a debate, let alone a Bill to put the reform into action. I can tell the House why: Ministers have gone back on their promise of an extra £1 billion, over and above the increases in standard spending assessment. They said that that money would be ring-fenced to meet the cost of each and every teacher who crossed the threshold.

That £1 billion was supposed to come from the service development fund announced in July last year, and £1.75 billion was allocated for 2000–02. On the same day, however, LEAs were told that education standard spending would rise by 6.2 and 6.4 per cent. respectively over those two years. Now the Government have top-sliced £430 million from local authorities, cutting the rises next year and the year after to 5.4 and 5 per cent. respectively. Once again, pay rises for some teachers are likely to be bought at the expense of other teachers' jobs. That is not the message that we got from the Government when they said that new proposals on teachers' pay would be announced. Those cuts breach the central tenet of any performance-related pay system: incentive payments must be genuinely additional if they are to work. If they come, even in small part, from existing budgets, the whole performance will be a sham.

There are two significant Bills in the Queen's Speech, and the Liberal Democrats give a cautious welcome to each of them. We have steadfastly supported the Government in their desire to get rid of a bureaucratic minefield that is confusing, difficult to negotiate and often impedes rather than encourages the learner. Those very words were used in the White Paper on post-16 education, and we agree with them, but rather than clear a path through the minefield, the Government have simply chosen to replace old mines with new ones. How else can the Secretary of State explain the plethora of organisations that are to form part of the proposed lifelong learning structure?

The Secretary of State will appoint everyone on the national Learning and Skills Council. There will be 47 sub-regional councils, local lifelong learning partnerships, education business partnerships, the national training organisations, the new integrated youth service, the careers and guidance services, the chambers of trade and commerce, and the university for industry. Perhaps even local education authorities will get a look in—if they exist by the time the Bill is enacted, that is.

It would help if the Government's thinking about the role of many of those organisations was clear, but it is not. Will the youth support service subsume in its entirety the careers service for those aged under 19, or will it be a framework to strengthen existing collaboration between the careers service, the youth service and organisations involved with young people at risk? The previous Government devastated the careers service; they thought that it should be available to only a very few people. In fact, careers guidance is the central plank of lifelong learning.

Who will lead the new multi-tier organisation? If we believe the Department for Education and Employment press releases, everyone will. The press release of 30 June said:

"employers would have the largest single input".

The press release of 5 October told training providers that they had

"a crucial role in raising standards".

By 20 October, the national training organisations were in fashion. The press release said:

"NTOs have a pivotal role in identifying future skills needs".

Seven days later, the NTOs were out of favour, and it was the turn of lifelong learning partnerships to take the lead. The DFEE press release said:

"Blackstone sets out crucial role of lifelong learning partnerships".

But by 28 October, employers were back in fashion according to the DFEE:

"Business gets biggest say in Learning and Skills Network".

The right hon. and learned Member for Rushcliffe was right: we need to know who will be leading the programme, and so does the business sector. With so many organisations involved, unless the arrangements are pulled together properly, we will be back in the mire.

What will be the role of the university for industry? It has a different organisation, with different learning hubs that are not coterminous with the regional development agencies or any of the learning and skills sub-regional councils.

What will be role of the LEAs? They need not hold their breath for a press release detailing their role. Everything coming from the Government indicates that LEAs are on the way out.

May I say how pleased we are about the proposed special educational needs measure? I was also pleased that West Oaks, a special school in Leeds with which I had some dealings before my election to the House, has been given beacon school status today. It is great that special schools are being awarded beacon status—that is a role for them in future. I do not agree that the demise of some special schools signals the demise of special education provision.

We have come a long way since Mary Warnock's report in 1979. I spent 20 years working in inclusive education, and I resent the assertion that high-quality education for children with special needs cannot be delivered in an inclusive setting. It can be, and that should be the Government's objective. But those working in LEAs and schools believe that the number of statements and the resources that are applied to them are geared to the availability of resources, rather than the needs of the child. Parents are regularly told that there is no point in issuing a statement because the authority is over budget and cannot make the relevant provision. Parents of any SEN child will say that they have lost their trust in the LEAs as a result of the basic disregard for the current legal entitlements of children with special educational needs. We must not put another measure on to the statute book that cannot be implemented in practice in our schools and LEAs.

The identification of need is often too simplistic. Meeting the child's need is often a lottery. Inclusive education is, for many children, not just one option but the only option. The Bill must provide the foundation to make their education high quality, and it should address the concerns of parents.

This may be a timid programme, but we do not underestimate the importance of both education Bills. Unlike the Tories, we begin by considering ways in which we can improve them.

8.5 pm

Ms Claire Ward (Watford): I welcome the contents of the Queen's Speech, which builds on the Government's excellent progress to date. It contains many measures that will further improve the life of my constituents, and particularly their education and business opportunities. Today the House has the opportunity to debate two of the most important issues—education and home affairs. I should like to concentrate on the latter.

First, I agree with many of the points of my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on the Representation of the People Bill, which sets the ball rolling for what I believe will be a chance to revolutionise our democracy and open up our electoral processes. The rolling register means that people would no longer have to register from where they live by 10 October. That system is archaic nonsense and should be removed as soon as possible. It denies many people the chance to have a vote.

For most people who are moving at that time of year, filling in an electoral form is the last thing on their mind, especially if the election to which it relates is not until the following May or even later. They are unlikely to take any real interest until a party canvasser appears at their door. As those of us who regularly partake in that activity know, by then it is often too late to do anything about a failure to register in time for the election for which we are canvassing. Changing that process to make it easier for people to get on to the electoral register will change the nature of the register and encourage more people to take part in elections because they will have the opportunity to do so.

The changes proposed to access to registers are also important. Those of us who receive a load of junk mail from companies who have bought the register, whether in paper or electronic form, know how infuriating it is to have our address and details so accessible. However, a more important aspect is the safety of many people who wish to remain anonymous on the electoral register. Is it right, in this day and age, that women who are escaping from domestic violence should lose their chance to vote because they are too scared to put themselves on a public register? They know that their ex-husband or ex-partner has a rough idea of where they live and the schools to which their children go and need only look through the register at the local library to find them. There must be greater opportunity for people to remain anonymous on the electoral register. We must ensure not only that those people are protected but that they have a chance to vote.

Mr. Simon Hughes: I understand the hon. Lady's specific point. However, does she agree that if we move towards the presumption that people can conceal where they live for voting purposes, there is a danger that pop stars, sports personalities and politicians can conceal where they live just because they want to? There is a duty on most of us to make where we live known, and I ask her to agree that there should be very rare exceptions to the principle that people should have their registered address publicly available, even if people cannot be allowed to buy a copy of the register for commercial purposes.

Ms Ward: I agree with the point about commercial purposes, but people should be able to ask not to have their address made public if they have a valid reason for that request. Others should be able to determine whether their reason is valid.

In the past, we have not tackled the issue of absent voting, but I hope that we will have the chance to do so in this Bill. Why should we have to provide reasons in order to be allowed to vote by postal ballot? In many countries—particularly in America—people can vote by postal ballot for any reason or, indeed, for no reason. Twenty-five per cent. of the electorate of California vote by post up to two weeks before polling day. That would change the way in which we try to convince people to vote for us. We could not leave important messages to the last couple of days and to last-minute party political broadcasts—although perhaps that is not a bad thing.

We should make it easier for people to vote. One concern I have about the Bill is that the cost of the pilot projects will be borne by local authorities, which have many other things on which they want to spend their money on and many priorities on which they have to spend. I am concerned that pilot projects that enable people to vote at railway stations or supermarkets and at weekends or at different times will be pushed further down the list of priorities. I hope that the Government will consider the issue carefully.

We should not limit our imagination when thinking of ways to encourage people to participate in elections. We should not just consider ballot boxes in supermarkets and train stations. Why not give people the chance to vote electronically from anywhere in the country so that their vote is registered in the area in which they live? Why not consider the possibility of using existing lottery terminals? We should give people access to that technology if it encourages them to vote. We should not limit ourselves to the ideas that have been suggested to date.

On the issue of the mode of trial, I should declare an interest as I shall be taking leave from the House tomorrow to go through the formal admissions process as a solicitor. I was qualifying as a solicitor before I came to the House, and finally managed to achieve that some time ago, but only tomorrow will I go through the formal admissions process. As a solicitor who holds very dear the idea of justice and the right to a fair trial, I must express some concern about the legislation announced in the Queen's Speech.

Being a juror is an important role for people to play. As hon. Members, we are excluded from serving on a jury, but Jury Service is another way of increasing participation in society and in citizenship. Many of the measures that the Government are considering would encourage citizenship, and being a juror is an important part of that. I would be concerned if there were any moves to reduce people's chances serving as jurors and taking the responsibility that that entails.

I am also concerned that the right to elect for jury trial will be removed, and defendants will have to appeal to the Crown court to determine whether they are entitled to a jury trial. In deciding whether to allow a case to go to appeal, the magistrate must consider the reputation and livelihood of the defendant. A 19-year-old unemployed male may have little reputation and little livelihood and may not be given the same benefit of the doubt as a Member of this House or the other place, or a member of a worthy profession who is a defendant before a magistrates court. The Government must consider that important issue.

[Ms Ward]

We were told that it is important to reduce costs. I for one want to consider carefully how we can reduce costs. I would be interested to know, either when the Secretary of State for Education and Employment winds up the debate or when the relevant legislation comes before the House, whether the costs of the appeal process and the delays that may be caused by appeals to the Crown court clogging up the rest of the system could outweigh any savings made by removing the right of defendants to opt for a jury trial.

There is no doubt that magistrates are still not representative of the society in which we live. I welcome the Lord Chancellor's recognition of that fact, and his attempts to change it. We must accept that change will take some time. It takes time to encourage people from different communities to become magistrates, and it takes time to get them fully trained and through the selection process. It also takes time for those people to achieve a position of authority in magistrates courts. I hope that my right hon. Friend the Home Secretary will look into those issues carefully. He has made it clear that he has changed his opinion on this matter in the past couple of years. I am sure that he would not have done so lightly. I hope that, over the coming weeks when the legislation is going through Parliament, he will be able to convince other hon. Members of his argument. I shall follow the passage of the legislation with great interest, and I shall want to be sure that, in seeking to reduce costs and to spend money on our criminal justice process efficiently, we are not compromising justice.

I welcome the race relations legislation announced in the Queen's Speech. I hope that it will reassure ethic minority communities that the Government will not tolerate racism in any form or at any level. It is about time that we had such legislation. I am sorry that it has taken the death of Stephen Lawrence to make the country and its institutions wake up to the problems of racism. I hope that we will introduce that legislation as quickly as possible.

The Queen's Speech contains much important legislation which I welcome. I look forward to the Government building on their programme over the coming year, and ensuring that we improve the lot not just of my constituents but of everyone in the country.

8.18 pm

Mr. Peter Brooke (Cities of London and Westminster): I enjoyed the speech of the hon. Member for Watford (Ms Ward). I shall not rehearse the observations that I made on the first day of the debates on the Lords amendments to the Greater London Authority Bill, when I recited various facts about the Westminster elections in 1784 and 1846, which were, if I may say so, more flexible than the present arrangements and made elections a great deal more interesting. I assume that they have been swept away because of the evils of conservatism, and what is proposed in the Queen's Speech will be radical modernisation, but I will not go back to that.

I was gratified by the hon. Lady's willingness for the identity of people whose security might be affected to be protected on the electoral register. That has not always been the case. When I was in some danger as a result of service in Northern Ireland, the Labour party declined to allow me to register my address as other than the address at which I was living.

I shall address my remarks primarily to higher education, in part because my brain cannot stretch to the mass of Home Office legislation that the Government are seeking to carry in this Session of Parliament. I also want to draw attention to current parliamentary inattention to higher education and its most important place in our country's future, which the Government's own structure sometimes disguises. Before I do so, however, as this is a debate on the Gracious Speech, let me allude briefly to the opening of Wednesday's debate.

On Wednesday, my right hon. Friend the Leader of the Opposition made an outstanding speech—one whose pointedness was caught by Labour Members, who could not prevent themselves from smiling again and again after sally after sally. What defence the Government could muster was that my right hon. Friend's speech was stronger on humour than on policies. The immediate rebuttal was that the Government's policies were the subject of the debate, but an equally apposite rebuttal would be that it is very difficult to be funny unless there is something to be funny about—and the Government are providing an even larger target in that category than the Bills with which the Home Office is presenting us.

If I may put it neutrally, the Prime Minister made a less good speech. His heart did not seem to be in it. The speech reminded me of G. K. Chesterton's remarks about Henry James, to the effect that a spectacular level of tension was created in whole half-hour periods in the novels during which absolutely nothing happened. The Prime Minister was, inevitably, less funny than my right hon. Friend. In so far as he attempted light-heartedness, we experienced our second exposure of recent time to his parliamentary dame cheerleader act, which frankly demeans and trivialises his office.

If the Home Office features heavily in the programme for this Session, higher education features scarcely at all. That is not necessarily a bad thing—I am in favour of less legislation rather than more—but I have remarked in business questions that higher education hardly figures nowadays in oral questions to Ministers representing the Department for Education and Employment. I do not think that that is because higher education has become less important. The Chancellor of the Exchequer still shows interest in it, and the Prime Minister has not noticeably disowned "education, education, education". I suspect that the subject has disappeared from the Chamber because the Prime Minister is so short of talent in the parliamentary Labour party that he has to maintain key ministerial portfolios in the House of Lords—a variation on his usual dismissive attitude to that Chamber. Lady Blackstone has held the higher education portfolio since the general election.

The television game shows that stretch out suspense through unwon prizes could profitably ask contestants to name the Ministers who have held the higher education portfolio in the House of Commons since May 1997. Higher education does not appear in the title of any Minister in the list of ministerial responsibilities—which, after four months of joined-up purdah, the Cabinet Office has at last generously vouchsafed to us.

I have quoted before in the House the observations of the Liberal peer, the publication of whose memoirs was held up for three weeks because the printers had run out

of the capital I. If I allude to my constituency interests in this context, it is to prevent myself from being subject to the charge of not having alluded to them, rather than because I wish to emulate that Liberal peer. I am, in chronological order, a senior fellow of the Royal College of Art, a presentation fellow of King's college London, an honorary fellow of Queen Mary and Westfield college, a lay member of the University of London council, a former Robert Birley lecturer at City university—where I serve on the court, as I do at Imperial college—and an honorary DLitt of the university of Westminster.

I claim no personal credit for that cursus honorum, other than that my constituency has more higher education than any other constituency in the country. I can claim, however, that it was in my constituency, in the last century, that many of the institutional vehicles that have been delivering lifelong learning—long before the present Government came to office—were created.

When I was a Higher Education Minister in the mid-1980s, I sought to persuade the then Secretary of State, the late great Sir Keith Joseph, to take a graduation ceremony at what were then polytechnics so that he could see the immense range of graduands—in regard to age, gender and race—who were involved. In the last 12 months, I have done the same twice in my constituency, and, so far, the range has not changed. On the second occasion, a distinguished American academic from the university of California in Los Angeles confessed to being similarly impressed by the mixture.

It is one of the glories of our system that so many mature students participate in it. In that regard, it is second only to the United States. I am glad to hear of the Government's latest financial infusion into the university system, especially in relation to mature students; but—if this phrase is not regarded as being unduly provocative in today's debate—the jury must still be out in considering the extent to which the immediately prior financial arrangements are currently discouraging mature students from entering the system.

Clearly, mature student numbers are down initially, especially in the arts, humanities, languages and social sciences—languages being especially threatened, because of their greater cost factor. The figures for second-year returners are also down. Ministers will be aware of the link established by a professional study between student mental health and the effect of financial anxieties.

In the last Parliament, the two major parties agreed on the appointment of the Dearing commission. The commission rendered a notable service to the nation, but the appointment of its eponymous chairman, whom I greatly admire, meant ineluctably that lifelong learning would be at its heart. There was nothing wrong in that ipso facto—other countries have addressed retraining and lifelong learning better than we have—but the commission was also charged with considering higher education, the style and pace of which is set by the greatest universities in the land. After the report, I was left with no little concern that the health of our greatest universities had not been adequately addressed.

On this morning's "Today" programme, I heard the Secretary of State for Education and Employment express his pleasure that our most prestigious universities were responding warmly to the challenges inherent in the "excellence in cities" concept; but I continue to fear that, unless our greatest universities remain wholly competitive internationally, their response to this challenge or that will become—ironically—increasingly academic.

The motion refers to "unnecessary restrictions on teachers". One of those restrictions is pay. I do not hold a total brief for the Association of University Teachers—not least because, during the two and a half years in which I was Higher Education Minister, it did not notice that I had made a speech about university pay in 1978, when my party was in opposition, which it could usefully have quoted back at me—but everything that the Government are doing in further and higher education will prove to be irrelevant if they do not address the real problems of recruiting, motivating and retaining university teachers in engineering, information technology, medicine and teacher education.

A second restriction on university teachers runs the risk of becoming unnecessary. I allude to the amount of regulation that now applies to the quality of higher-education courses. The Minister will know how many failures in university courses have been found after intensive investigations over several years. My impression is that the figure is between 1 per cent. and 2 per cent., but let me make a series of observations.

First, the present system of numerical scores for departmental performance on quality and standards, which immediately become league tables, is distorting university behaviour. I hope that Ministers will be responsive to alternative qualitative proposals by vice-chancellors.

Secondly, the Government are keen that we attract more overseas students, yet the proposed categories for rating of departmental quality under the Quality Assurance Agency for Higher Education, which I understand to be "excellent," "acceptable," and "not acceptable," with the vast majority of provision in the middle category, will crucify UK marketing of British higher education, in competition with that in the United States and Australia, which have no such comparable marking schemes.

A similar danger attends the proposal to cease to call many masters courses, especially conversion ones, masters. That will carry a massive risk to the UK MBA degree—I declare an interest as a Harvard business school MBA when there were no business schools here—if American universities have no plans to redefine, or to rename their own MBA degrees; the United States is the centre of the MBA world.

Finally—it is especially an unnecessary restriction on teachers—the cost of the quality system is potentially disproportionate. In one university in my constituency, a recent investigation cost more than £100,000 and diverted teaching staff for weeks from what they would normally do in either teaching or updating material.

Restrictions on teachers can also take the form of an absence of students. I hope that Ministers are looking at how far the current funding arrangements, with their concentration on well-paid jobs taken after graduation to repay debt, are pushing students, often presumably on parental advice, into vocational courses with short-term attractions and away from liberal arts degrees that might serve students better in the longer run.

My best calculation is that I have 75 weeks, plus injury time, left in the House before I leave it at the general election. I propose to devote such time as I can in that period to exploring higher education questions, as a one-Member campaign against its neglect in the Chamber.

[Mr. Peter Brooke]

As I know from personal experience, officials preparing parliamentary answers for Ministers sometimes annotate them, "It is not known why the question has been asked. The Member asking it has shown no prior interest in the subject." Ministers always know most about the subjects to which they attend when they are Parliamentary Under-Secretaries of State and there will still be a handful of officials at the Department for Education and Employment who will remember my inexhaustible curiosity about higher education detail as it underlay policy 15 years ago.

In the meantime, I am pleased by the Government's intention to legislate for special educational needs, a subject that the Select Committee on Northern Ireland Affairs has looked at in the current Parliament.

There will be much to debate on the Bill to establish a new Learning and Skills Council, about which I notice the Association of London Government has been critical. My curiosity about that bedrock Bill for lifelong learning is about how much time is being given to finding out what sort of lifelong learning people really wish to do.

I close with another constituency issue. There is nothing in the Queen's Speech about curbing illegal vendors in the royal parks and on the apron forecourt in front of Buckingham palace. I realise that the absence of such a reference may be disguised by that familiar sentence:

"Other measures will be laid before you."

If that measure, about which I have been chasing the Secretary of State for Culture, Media and Sport for two years—having at the same time secured Opposition Front-Bench support for it—does not appear soon, the right hon. Gentleman and his fellow Ministers in the Department will, in the most comprehensive manner, cease to be able to claim that they are entitled to regard themselves as being among the list of Her Majesty's Ministers in the fullest sense of that traditional phrase.

8.32 pm

Mr. Jon Trickett (Hemsworth): I am grateful for the opportunity to say a few words on the Queen's Speech, which introduces a number of important measures that will make a difference to the way in which the country operates.

There are still obstacles to all our citizens being able to exercise their right to vote. In the debate on social exclusion, democracy and other such matters, nothing is more important than the ability of all our citizens to engage actively in the democratic process. The Representation of the People Bill envisages several different mechanisms by which our fellow citizens will be able to do that. I highlight one of them: postal voting. In a little-noticed action at the end of the previous Government's term in office, the ability of our fellow citizens to register for postal voting was severely circumscribed. People now have to approach a medical practitioner who knows them and knows of their particular malady. In my constituency, that has resulted in fewer people being registered for postal voting and, therefore, a decline in the number of people voting overall.

In the parishes of Featherstone and South Kirkby, as a consequence of low turnouts, great efforts have been made to increase the number of postal votes registered. In both areas, great successes have been achieved, with several hundred people in South Kirkby registered for postal votes. I believe that regulations requiring doctors and nurses to register people to vote by post not only waste the time of doctors and nurses, but deter people from seeking to vote in that manner, as they do not want to take up a doctor's time. Additionally, anecdotal evidence—to the Home Affairs Committee, and in my constituency—shows that doctors have been tempted to charge people for filling in the forms necessary to register for postal voting.

Mr. Jeff Ennis (Barnsley, East and Mexborough) *indicated assent.*

Mr. Trickett: Perhaps the charges are being imposed across the country.

Everything that can be done to encourage greater participation in the democratic process should be done, and I am delighted that the House will soon be considering relevant legislation.

I welcome the Freedom of Information Bill. Although the legislation could undoubtedly go further—I should welcome any concessions that the Home Secretary might make on that in our debates—it contains highly progressive proposals and will ensure long overdue change in the culture of our civil service and government.

Recently, I had the ridiculous experience of trying to obtain on behalf of National Union of Mineworkers members the minutes of health and safety committee meetings held, in the 1980s, at a local colliery which was closed some years ago. Work force representatives attended the meetings, of which notes were taken by the National Coal Board.

On privatisation, the minutes were placed at the Public Record Office, at Kew. Subsequently, it has become excessively difficult even for those who were present at the meetings—discussing their own health and safety—to obtain copies of the minutes. It has taken me several months to locate the documents, and I have still not gained access to them all. It is deplorable that people whose health and safety is still in question cannot gain access to the minutes of meetings that they attended.

I also had the bizarre experience of ringing up a civil servant who is custodian of the minutes, and being told, "I shouldn't even be speaking to you, because I'm a civil servant and you're an MP." Although I preyed on his goodwill and persuaded him to speak to me—he was helpful—even to this day, we do not have the appropriate minutes.

The culture of denial and secrecy has to be broken. Although nothing in law prevents us from gaining access to the type of document that I have been seeking, the current culture encourages denial before a gradual acceptance that access should be given. I hope that the legislation and our debates on it will encourage a greater and long overdue spirit of openness.

The Queen's Speech also mentioned the Stephen Lawrence inquiry and its aftermath. I am sure that hon. Members on both sides of the House will welcome the Government's determination to root out institutional racism in all its forms. The House will be considering a Bill to make a welcome start on achieving that objective. As one who has spent most of his life in an inner-city

area in Leeds where the levels of racism and institutional racism were extremely high and one daily encountered problems caused by racism, I very much welcome that.

Legislation on the criminal justice system is the centrepiece of the Queen's Speech. In reforming the criminal justice system, however, we shall undoubtedly encounter the perennial problem of balancing the citizen's rights against enhanced powers for the state. I have no objection in principle to enhancing the powers of the state apparatus if those powers will be used to tackle crime and criminality. Additionally, the Government are taking other action—on employment generation and education—to help to tackle the causes of criminality in places where unemployment and homelessness are endemic, such as on the estates and in the coalfield villages that I represent.

I accept and generally welcome the measures that have been introduced. I have yet to be convinced that there should be an incursion into the jury system as has been proposed and will watch the debate with interest. I am prepared to be convinced, but have not yet heard the arguments to convince me.

I referred to the balance of rights between the state and criminal justice procedures on the one hand and the citizen on the other. I also mentioned the Stephen Lawrence inquiry. Police complaints procedure was central to that inquiry. If the Government are to take anything from Stephen Lawrence it must be that that procedure has lost all credibility. Again, I have local experience of trying to deal with an individual who claims to have suffered at the hands of the local constabulary.

The police complaints system in its present form is unacceptable. The very constabulary against which the complaint has been made has the absolute right to determine whether the complaint is justified, or even whether to record the fact that there was a complaint. Therefore, the statistics, never mind the investigation process, do not give an accurate picture of problems that citizens encounter with the police force.

The Stephen Lawrence inquiry strongly recommended that an independent system of complaints against the police be established. The Government said that they would look into the matter in April, when a further report will be produced, but there is no mention of that in the Queen's Speech. I gently remind the Government that many of us are very interested in this matter and will particularly scrutinise how they respond in April. If they do anything to strike a new balance between the citizen and the state, surely it must be to move on the police complaints procedure.

Mr. Simon Hughes: Does the hon. Gentleman accept that, if the Government did move on that, the proposal would receive great support throughout the House? Opposition Members would work with Labour Members to achieve that aim sooner rather than later.

Mr. Trickett: I thank the hon. Gentleman for his comments. No doubt the Government are well aware that there is a growing consensus in the nation and in the House that the present system is not working effectively and is losing credibility. The House needs to debate the matter again in April—in good time, when the Government have had a chance to reflect on the debate about Stephen Lawrence and, hopefully, to produce proposals shortly thereafter.

My right hon. Friend the Home Secretary referred to resources and the cost of an independent police complaints procedure. Justice cannot easily have a price attached to it. I hope that resources are not a factor when the Government finally form a view on the matter.

My hon. Friend the Member for North-West Leicestershire (Mr. Taylor), who is sitting next to me, mentioned the legislation to protect wildlife and the countryside. I hope that everyone will welcome that legislation, when it arrives. In some ways, it is long overdue. It is path-breaking legislation and it demonstrates the Government's commitment to a radical and modernising agenda.

My hon. Friend also mentioned the problems that his constituency has suffered as a result of mineral extraction and opencasting and expressed the view that opencasting was coming to an end. I am not so sanguine as my hon. Friend. Recent secondary legislation has revised mineral planning guidance 3, but I am not optimistic about its effects. I am extremely disturbed about rumours of the likely results of various inquiries. I hope that, if necessary, time will be found to add to the primary legislation a further clause to circumscribe the ability of opencast extractors to rape the countryside. I do not refer to brownfield sites.

Mr. David Taylor: Does my hon. Friend agree that it would be highly desirable to build an absolute presumption against greenfield opencasting into primary legislation as rapidly as possible, because mineral developers are ingenious in circumventing the regulatory framework?

Mr. Trickett: My hon. Friend makes an important point on a matter about which there is great concern on both sides of the House. I do not advocate a total ban on opencast techniques for extracting coal because there are circumstances in which it is necessary. However, on greenfield sites, and especially in the green belt, there can be no possible justification at the turn of the millennium for extraction by those means, particularly when coal mines continue to close at an alarming rate. We were told that there was no demand for coal, yet the deep mines are closing with the loss of many jobs while opencasting continues to destroy the countryside without creating many jobs. I hope that, if MPG 3 as revised turns out to be weaker than anticipated, the relevant legislation can be modified to assist hon. Members who represent loyal communities that have been the bedrock of the Labour movement which created this exciting, modernising Labour Government, to defend them from the profiteers who are raping our countryside.

8.46 pm

Mr. Patrick McLoughlin (West Derbyshire): I welcome this opportunity to speak on the Queen's Speech. I am glad that the Secretary of State for Education and Employment is in his place. I am disappointed in the Queen's Speech. The slogan that the Government used so effectively in the general election campaign was "education, education, education", but for their legislative programme the slogan seems to be "no action, no action and even less action."

The Secretary of State and the Government have failed to deliver to schools, despite their promises of extra resources for them. I am pleased that my right hon. Friend

[Mr. Patrick McLoughlin]

the Leader of the Opposition said at his policy document launch a few weeks ago that we are committed to ensuring that the money that the Government are setting aside for education goes directly to schools.

The Secretary of State missed an opportunity when he came up with his great idea of education action zones, which I think have some merit. However, at the same time as he set them up, he destroyed the other part of freedom in education—the grant-maintained schools, which were able to take their own decisions with all the money available to them. I regret that he has done nothing to ensure that the money goes direct to the schools.

I have long taken an interest in education funding, both when we were in government and now that we are in opposition. The Secretary of State knows of the growing concern about differentials in the area cost adjustment. In opposition, he often said that the ACA would be sorted out and changed as soon as he was in government, but we have seen no action by the Government. Only a few weeks ago, an answer from the Minister for Local Government and the Regions said that they had no intention of changing it for at least the next three years.

Mr. David Taylor: Will the hon. Gentleman give way?

Mr. McLoughlin: No, because of the lack of time.

When Labour gave the impression throughout the previous Parliament that the ACA would be changed quickly, I think that it deliberately misled people in several constituencies.

I have some sympathy with the Secretary of State on how local education authorities pass money on to schools. That is where he and the Government have failed miserably to act. In our policy document, my right hon. Friend the Leader of the Opposition says that we will act.

Not long ago, I asked the Minister for School Standards a question about LEAs' spending on education as a percentage of their total budget. I see the right hon. Lady coming into the Chamber now. She replied to me by way of a letter pursuant to her answer, so unfortunately it does not appear in *Hansard*. It shows that Buckinghamshire LEA spends 63 per cent. of its total on education. That is the highest percentage in the country. Derbyshire spends only 58 per cent. of its total income on education. If it spent at the same level as Buckinghamshire, it would spend an extra £28 million a year on education. That is a huge amount and a huge variation. The Secretary of State cannot be very happy with LEAs not spending money on what I imagine he wishes it to be spent on.

When I made the point about Buckinghamshire, I was told by the chairman of the Derbyshire education committee that I should not concern myself because Buckinghamshire was in the south and it was an unfair comparison, so I thought I would use neighbouring Staffordshire as an example. Staffordshire county council, of which I was a member some time ago, spends 63 per cent. of its total budget on education. When we talk about 4 or 5 per cent. of a county council's expenditure, we are talking about a large sum of money. If Derbyshire spent the same percentage as Staffordshire on education, it would spend an extra £28 million. That would be a huge increase.

It does not end there. It is not just a simple question of asking how much the LEA spends on education as a whole. We then have to consider the education authority's slicing of the figures. I was pleased that not long ago the Secretary of State published figures on delegation to schools, but even that tells only part of the story. There is a budget called the total net expenditure on education, and then there is the general schools budget. Then there is the potential schools budget and the aggregate schools budget. Every time, slices come off the figures before the money goes to the schools.

The Government have lamentably failed to provide parents with full information on what direct funding is available to schools. At present, LEAs decide their priorities for education spending. I was disappointed in the past when education authorities deliberately thwarted central Government's plans to put money aside for certain things. Between 1986 and 1996, Derbyshire provided a school meals subsidy of more than £150 million. In the same period, Staffordshire provided a subsidy of £64 million. Derbyshire education authority decided to spend almost £90 million more on subsidising school meals, rather than allowing the money to go directly to schools. It is not surprising that a number of secondary schools in Derbyshire opted for grant-maintained status so that they could run their own budget and manage themselves in a substantially different way. If grant-maintained schools were good enough for the children of the then Leader of the Opposition, they are certainly good enough for everyone else.

The Secretary of State has missed a great opportunity. He talks tough but he acts soft. That is the truth. He is becoming the voice of the educational establishment, instead of the radical he tried to be. While he talks about reducing class sizes for five to seven-year-olds, those for the other age groups carry on increasing. That is because he is double counting. He says that he is increasing investment by about £19 billion, but he is in the same double-counting mode as the Chancellor of the Exchequer—no doubt he has to be. Figures from the Department for Education and Employment show that the total spend in 1998–99 was £38.2 billion and that, in 2001–02, it is planned to be £47.8 billion. That is not the increase of £19 billion that the Secretary of State and, indeed, the Prime Minister claimed.

In the Queen's Speech, the Government missed a unique opportunity to address the fundamental question of education funding to enable parents to see clearly that the money set aside for education goes to schools rather than being spent by LEAs in other ways.

8.56 pm

Mr. Hilary Benn (Leeds, Central): I can only describe the speech of the hon. Member for West Derbyshire (Mr. McLoughlin) as a blast from the past, rather than one that addresses the Queen's Speech.

Yesterday, I visited two primary schools which serve inner-city communities in my constituency. Both have a high proportion of children on free school meals—in one the proportion is 50 per cent., and in the other 66 per cent. Both have a large number of children with special educational needs; both experience a high and regular turnover of pupils; and both have staff and head teachers who work hard to create an oasis of calm in which their children can start to learn. They know that, for many of

their children, even getting to the starting blocks of learning—while their peers in more affluent areas are halfway down the track—is a major achievement in itself.

I hope that one of the messages that we send from this debate is our support and thanks to those teachers and support staff for the job that they do in the toughest of circumstances. However, what impressed me most about those head teachers was that neither of them regarded the circumstances from which their pupils came as a reason to have low expectations of what they would be able to achieve. On the contrary, those head teachers know how great is the need to give those children the same start in life that is enjoyed by others. They know that literacy and numeracy are crucial to children's life chances, and that what schools do makes a difference.

I am pleased that those two schools—one of which came out of special measures only recently—have achieved significant improvements in their key stage 2 standard assessment test results. Like many other schools in my constituency and throughout the country, these two schools have high ambitions for their children. As one secondary head told me recently:

"It's not that our children are any less intelligent. It is just that they lack self-confidence."

We know that education offers confidence.

Just as those head teachers have high expectations of their pupils, they also have high expectations of the Government. After two short years, there is much of which to be proud. The hon. Member for Harrogate and Knaresborough (Mr. Willis), who is not in the Chamber at the moment, described the Government's achievements and plans as timid.

We are well on the way to meeting our class size pledge. We shall double capital investment in school buildings and equipment by the end of this Parliament, which would have been a dream under the previous Conservative Government. We shall significantly increase education spending in real terms. We have put 10 million new books into our schools. Schools have implemented the literacy and numeracy hours, and results have begun to improve. Inner-city schools such as those in my constituency now benefit from funding—for which they are most grateful—under the excellence in cities initiative, precisely because it recognises the greater challenges that they face. There is nothing timid about that programme; on the contrary, it shows real achievement.

I am sure that my right hon. Friend the Secretary of State would be the first to acknowledge, however, that much more remains to be done. In the end, although we may provide support, encouragement and investment, it is the schools that make the difference. They deserve our praise and encouragement as they do so, even though not all teachers are yet convinced about everything that the Government are doing—we might as well acknowledge that fact.

I had the misfortune to watch the Conservative party political broadcast last week, and I was genuinely astonished when the Leader of the Opposition criticised the Queen's Speech because it contained no Bill to raise school standards. That is odd because there is a Bill to raise school standards—the special educational needs Bill. It tells us all that we need to know about the Conservatives' view of raising standards that they do not regard a Bill on special needs as being about raising standards.

I am puzzled—if the Conservatives were to have their Bill, I have no idea what would be in it. I therefore look forward to hearing the hon. Member for Maidenhead (Mrs. May) try to enlighten us. However, I believe that the hon. Member for Harrogate and Knaresborough was a trifle harsh on the Conservatives—they have many more years to try to get their policy in order.

Three times the hon. Member for Harrogate and Knaresborough threw a challenge across the Chamber, asking "Where is the Bill?" That is an apposite comment which should be applied to the Liberal party's policy on education, because it is uncosted, and one must bear in mind the fact that the Government have invested more in education than would have been the product of the Liberals' famous 1p on income tax.

Mr. Simon Hughes: Will the hon. Gentleman give way?

Mr. Benn: I am afraid that time is very limited; otherwise, I should have liked to.

Instead of being distracted by the amendment tabled by the Conservatives, we must understand that changing the education system is difficult, that we need to support schools in raising standards, and that we need to recognise the better accountability that a better-educated society demands and which performance data make possible. However, I hope that Ministers make speedy progress on added value measures. Teachers in inner-city schools would really welcome such measures, as they would show what they are achieving. Finally, we need to build trust within the system. Teachers need not be quite so defensive about their achievements; they have a lot to be proud of.

The whole House will welcome the Learning and Skills Council Bill, because we all know that, in the information age, knowledge and its application will increasingly determine personal and national prosperity. As individuals, we know that education increases our chances of getting and keeping a job and increases our earning power. As a nation, we know that as knowledge and information increasingly become tradeable commodities, those nations best able to harness new technologies will be the most prosperous. I welcome the Bill, not least because it will complete a process that the Conservatives began when they were in government, with the creation of a single Department for Education and Employment. That was welcome. The Bill follows that logic.

It is still the case that far too many young people and adults underachieve. A fifth of 20-year-olds and 7 million adults in this country lack basic skills. As has been said, there is a lack of demand in the system from many of those adults because of their experiences of education.

One price that we have had to pay for a selective system of education in years gone by is that many people have been left with a profound distrust of learning after being put off by their personal experiences. Every day, thousands of people drive through my constituency to jobs in the centre of Leeds, whereas people who live in areas of high unemployment a stone's throw from the city centre are unable to do so because they lack the skills, the qualifications and the aptitude. That is why the right hon. and learned Member for Rushcliffe (Mr. Clarke) was so wrong about the new deal. It is helping because it gives those people those skills.

I am glad that the Bill was mentioned in the Queen's Speech. I am glad that education is at the heart of what the Government are doing because, in addition to being

[Mr. Benn]

an end in itself and an engine of social justice and change, it is increasingly tied up with our economic future. Although we may be divided about the details of education policy, there is no more important issue for the future of the country, and of the Government, than the education of our people.

9.3 pm

Mr. Nick St. Aubyn (Guildford): The hon. Member for Leeds, Central (Mr. Benn) asked how a Conservative Government would improve standards. We would certainly start by cutting the burden of red tape and reversing the culture of departmental diktat that have been the hallmark of this Government, and especially of the present Secretary of State.

I envisage a bigger role for the private sector in our education system. I do so not because I like seeing companies make a profit, although many companies today do make a profit out of providing services to our education system, but because the private sector represents diversity, flexibility and innovation—the things that we need to give our children if they are to make a success of our economy in the coming decades.

The private sector will offer value for money and wider access to the new technology and the information age. It is precisely because Conservative Governments, in their term in office, created the framework of a national curriculum and created the standard, tested by Ofsted, that we can justify, in today's world, giving money to the private sector to manage some, but not all, of our state schools.

I am very fortunate to represent Guildford, which has the first maintained school in the country to be put out to private sector management. We are already seeing the value for money gains resulting from that process. I visited the school only last week and was told that the initial capital project to improve the school had saved nearly 10 per cent. on cost through reductions in fees and other administrative costs that would have been incurred had the project been carried out by the local education authority.

As a member of the Select Committee on Education and Employment, I recently visited the United States where we saw many examples in which the private sector, through the charter school movement, offers value for money. In fact, so great is the chance to obtain value for money in the United States that many states require new schools to be funded at only 90 per cent. of the cost of running their state systems—an upfront admission that the private sector can deliver better value for ratepayers and for children.

I visited an advantage school in Jersey City as a guest of the Republican mayor of the city. He told me that it was a new school for more than 500 primary school children and that the intention was to build it up into an education centre serving 1,000 children of all ages. The cost of providing that new school was only two thirds of the cost that would have been incurred by Jersey City if it had done the job itself. At the same time, the school was able to provide a free community centre adjoining the site.

The debate is not just about money, although more money for education means more money for teachers, and that would provide for higher-quality teachers and higher-quality teaching. The debate is, at this stage, also about diversity. We want diversity and flexibility, but I do not think that any one of us today would look to state systems to deliver that for our children. We look to the private sector to provide the imagination and the drive that will deliver more of the benefits of the new technology and the new information age to our classrooms.

We must consider the Government's response to new technologies. Their response has been to offer a new laptop to every head teacher—an offer which was dismissed as patronising by the National Union of Teachers—and it was later discovered that they would have used money that the Chancellor had already promised twice over. When the Government see new developments and new technology, they are dying to brand them with their own name, but they have no idea what they really mean. It is essential to the proper development of education in this country that we have more diversity and flexibility in the system.

More diversity and flexibility will prompt a positive response from other parts of our state system. In Guildford, the other state schools are responding to the challenge of 3Es in running one of our local schools by raising their game and by improving their performance.

I recently had a most interesting meeting about church schools with the director of education for the diocese. In the past, church schools were very hesitant to promote their role, but we all know that the number of parents wanting to send their children to such schools has been rising. At any standard of living, church schools deliver a higher and better result for children than other schools in the state system. However, church schools have felt the strain of being leaders of the pack. We can have more successful church schools in a system in which there are also schools managed by the private sector. Church schools will clearly see their role as being a benchmark of achievement, promoting what they do as some of the best schools in the country and being more confident in their own identity. If the schools are more confident in their own identity, they will be more successful because they will give their children a strong identity. That is something that our children need if they are to succeed in our schools system.

How will that diversity in our schools express itself? Within the framework of our national curriculum, we should be encouraging more diversity in our approaches to special educational needs. On our visit to the United States, some members of our cross-party Committee visited Boston, where we heard of the advantages of a school that treats all children the same, whatever their educational needs. The school has an overall budget that assumes that a certain proportion of its money will be devoted to those children, but the children who have special educational needs can be absorbed into the mainstream as quickly and effectively as possible without the bureaucratic mechanisms that are the hallmark of the Government and the proposals that they outline in their Bill.

It may be that those schools will show diversity in the type of qualifications that they offer. In Guildford, the new Kings college will be offering 16 to 18-year-olds the chance to complete an international baccalaureate as an alternative to A-levels. There may be a choice of reading programmes and strategies for getting the best from our highly able children and for developing strong links with

the independent sector—links that have been denied by the control mentality of the Secretary of State and his minions.

I hope that I have convinced the House that we would improve standards. We have the means and the method to do so because we are not constrained by the prejudices and backward-looking attitude of the Secretary of State.

9.11 pm

Valerie Davey (Bristol, West): I, too, want briefly to address two education issues. Like many hon. Members I welcome the special educational needs Bill in the Queen's Speech. It underlines the Government's commitment to improve education for those with special needs and I am sure that it will include a recognition that the partnership between parents, schools and young people needs to be improved. The Bill will reinforce the powers of the special educational needs tribunal, but most important it will strengthen the right of children with special educational needs to continue their education in mainstream schools wherever possible.

Given all that, and the implications of the Learning and Skills Council for those with special educational needs as they progress into further education and, I hope, higher education, this is indeed a Bill that will improve education standards for that group of young people. I was therefore saddened by the Opposition amendment. They have either a very narrow definition of youngsters with special educational needs, or a very narrow definition of standards. Whichever it is, I am disappointed.

Like the right hon. Member for Cities of London and Westminster (Mr. Brooke), I want to take up the issue of higher education. I, too, was immensely appreciative of the Secretary of State's comments this morning about the involvement of higher education in improving standards throughout the education service, especially in our schools.

On the trip to America with the Education and Employment Committee, I, too, was impressed with university standards and work. We met representatives from four universities: the university of Massachusetts, Harvard, the Northeastern university in Boston and the university of North Carolina. What was impressive was the way in which all those universities, in very different ways, were contributing to their communities and to raising the standards of education in the schools in those communities. In that respect, I believe that we have a great deal to learn, as do our universities.

The summer schools that are advocated for 16 and 17-year-olds to get a flavour of university life are important, and I am sure that the 5,000 young people who take part next year will have an enriching experience. I am concerned, though, about the Government's promise to develop summer universities to involve younger children, between the ages of 10 and 14. At that age, young people need to be inspired and encouraged. In families where further and higher education is not part of the tradition, the children's desire to take part in it must be recognised. Parents must realise that such education is something to which their children can aspire.

I congratulate higher education students—from William Temple onwards—on their contribution over many years to their communities. In Bristol, students support the Barton Hill settlement. The settlement movement throughout the country has made an important contribution to social well-being, and has challenged young people to aspire to greater educational heights. I thank the students for all their voluntary work and, especially in Bristol, for their involvement in the arts, engaging young people who otherwise would not have become involved in dance and drama. I thank the students for the funds that they raise in rag weeks and—more recently—for their visits to sixth forms, during which, by their involvement, they encourage younger people to participate in further and higher education.

But—and it is a big but—most universities are still not wholeheartedly involved in their communities. When I heard the Secretary of State talk this morning, I was reminded of the New Testament parable of Dives and Lazarus. If we substitute the gold in the parable for knowledge and education, we realise that, in many of our inner cities, there are universities of great wealth that refuse to share with those who pass their gates every day.

As a Government, we have rightly challenged our prestigious universities, including Bristol, to participate more wholeheartedly in our commitment to raising standards in schools. I am sure that that can and will come about, and that inspirational university lecturers may share their understanding with school and college teachers. As a result, young people will regard going from school to college to university as a natural progression.

I welcome the Government's encouragement and financial backing in that context. Higher education should be seen as a resource that we can offer our communities. It should not be seen in isolation, and should not go on in ivory towers. Higher education is a resource for all of us, from the youngest to the oldest, to use. I of course welcome the University of the Third Age, which ensures that our older citizens enjoy lifelong learning too.

I challenge the hon. Member for Harrogate and Knaresborough (Mr. Willis) and assure him that the Government's radical zeal and passion for education have in no way dimmed. The legislation that we have already implemented provides a framework for the future. In the Queen's Speech, there are two more very important Bills. The challenge for this country to participate in education, to value it and to be stimulated by it continues. We respect all those who are involved in education as teachers and lecturers, and, like the Secretary of State and the Government, give them our wholehearted support.

9.19 pm

Mrs. Theresa May (Maidenhead): We have had an interesting and wide-ranging debate, and not just about home affairs, education and employment. Few hon. Members were as wide-ranging in their speeches as my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), who somehow managed to speak mainly on the national health service, although he concentrated on the importance of local choice—a theme which of course ties in well with education issues.

My hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) also ranged widely. Among his many thoughtful points, I noted particularly his comment about the problem in our abuse-conscious society of ensuring sufficient male teachers in primary schools, about which we should all be concerned.

Several speakers concentrated on home affairs issues, but I wonder whether the Home Secretary expected so many to express concern about his proposal to restrict trial

[Mrs. Theresa May]

by jury. The speeches made by the hon. Members for Southwark, North and Bermondsey (Mr. Hughes), for Birmingham, Erdington (Mr. Corbett) and for Meirionnydd Nant Conwy (Mr. Llwyd)—whose constituency I hope I pronounced correctly—demonstrate that this has been an important debate, showing the House at its best, in cross-party defence of what my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) described as "a fundamental human right". The hon. Member for Lewisham, East (Ms Prentice) described those defending the right to trial by jury as "the forces of conservatism" but tonight's evidence suggests that, on this issue, several of her hon. Friends will line up with the forces of conservatism.

I shall refer to those right hon. and hon. Members who spoke about education matters as I discuss in more detail the Government's proposals on education. First, I have to say that the Queen's Speech does nothing to set our schools free from the bureaucracy with which the Government are burdening them, nor anything to improve standards in our schools. Indeed, the sixth forms of many schools will be threatened by the Government's measures in respect of post-16 education. The Government's proposals will threaten standards rather than raise them. The Queen's Speech does nothing to make up for the Government's failure to deliver on their pledges on class sizes, funding, bureaucracy, grammar schools, grant-maintained schools and school budgets. Coming from a Government who claim that education is their No. 1 priority, the Queen's Speech is sadly lacking in measures to tackle the practical problems faced by our schools.

The Government's programme contains two specific education measures, the first of which is the Bill relating to children with special educational needs. The Opposition will support measures that genuinely improve the quality of education for such children, but to the hon. Member for Leeds, Central (Mr. Benn) and the hon. Member for Bristol, West (Valerie Davey) I have to say that what Ministers have told us so far about the Government's proposals is less about improving standards than about the processes of statementing for children with special educational needs.

We shall examine carefully any measures that press for inclusion, to ensure that they allow each child to be provided with the education that is right for him or her. We shall oppose measures designed to achieve an artificial reduction in the number of statements, regardless of the needs of the children involved; and measures that introduce artificial targets for inclusion, without considering the needs of children. For some children, inclusion is right and works well, but for others, education in a special school is right. We do not want that option to be taken away because the Government are intent on pursuing an artificial target to grab the headlines.

I regard with great concern the pressure to close special schools that is building up in many local education authorities, including Essex, Lambeth and Gloucester. I am sorry that I missed the speech of my hon. Friend the Member for Tewkesbury (Mr. Robertson), who knows well the problems faced in Gloucestershire. I understand that he made a thoughtful speech in which he expressed concern that the Government will pursue the issue of children's special educational needs more in terms of targets than in terms of what is right for the children. When the Government first launched their White Paper on the subject, parents of children with special educational needs expressed concern that there might be an attempt to reduce legal rights. We shall watch that issue closely, because the Government's comments so far express a continued commitment to reducing the number of statements.

The Government's second education measure relates to post-16 education. Training and enterprise councils are to be abolished and a national Learning and Skills Council is to be set up, along with some 50 local learning and skills councils. Yet again, the Government's response to an issue is to overcentralise and to increase bureaucracy. As my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) said, the Labour Government's instincts are centralising, paternalist and sometimes authoritarian. My right hon. and learned Friend's views are shared by none other than the Labour-controlled Local Government Association, which said of the Government's post-16 proposals:

"The Government's model runs the risk of over-centralisation. The proposed structure introduces new and unnecessary layers of bureaucracy between taxpayers and individual institutions."

The proposed decision-making process would include Ministers, a new national quango, Government regional offices, regional development agencies, sub-regional learning and skills councils, lifelong learning partnerships, local authorities, schools and colleges. Funding will pass through this complex system in various ways through grants and bids. That adds up to a system that will serve only to compound the current lack of coherence in the post-16 education sector.

I could quote from many more statements from outside the House made by people with first-hand knowledge and understanding of training needs and the post-16 sector who are concerned about the Government's approach. I refer to a statement from a London training and enterprise council, which said that its consultation exercise with businesses

"showed that they are sceptical of the Civil Service's ability to achieve wholesale reform through a new national bureaucracy."

It said that the local learning and skills council boards

"should have a business and employer majority overall with at least 50 per cent. from the private sector, and that unless their role is beefed up significantly there will be little incentive for active business leaders to become involved."

The former permanent secretary at the then Department of Employment, Sir Geoffrey Holland, said:

"Companies are relegated to a minority role in the proposed learning and skills councils. The decentralised delivery model is to be abolished, giving way to central control that despite the rhetoric cannot take account of local circumstances. Further education faces a period of turbulence, with many people and organisations jockeying for position."

Mr. Blunkett: Absolute crap.

Mrs. May: Sir Geoffrey said:

"The approach should be much less heavy-handed."

I do not feel it appropriate to repeat the exact comment that the Secretary of State made from a sedentary position. However, when the former permanent secretary's comments about the Government proposals are described in such terms by the right hon. Gentleman, it suggests that the right hon. Gentleman is not willing to listen to the

comments of those who know the implications of his policies. In his usual manner, the right hon. Gentleman is chuntering and making offside comments without listening. Perhaps if he listened he would learn from what others have said.

The former permanent secretary at the then Department of Employment went on to say:

"Our international competitors will be amazed to see us rearranging the deck chairs yet again, losing valuable time and momentum in the process."

As my right hon. and learned Friend the Member for Rushcliffe said, there is a real concern that the proposals on learning and skills councils provide for a representation at local level that will make it difficult for them to relate to local employers and suit local business needs.

In the post-16 proposals there is the threat to school sixth forms. It is a threat that the Secretary of State has tried to hide behind a claimed guarantee of school sixth form funding. The guarantee is not worth the paper on which it is written. The right hon. Gentleman said that the Government intend to protect the funding of school sixth forms in real terms so long as they maintain numbers. It has been made clear to head teachers and to councillors that that means that if a school sixth form drops one student, its funding will no longer be guaranteed. That is some guarantee. It is yet another example of the Government saying one thing and doing another.

We shall continue to examine the Government's proposals when they are published in detail on the basis of the four questions which we outlined when the Secretary of State published his White Paper. First, do the proposals involve the minimum of centralisation and the maximum of local discretion? Secondly, do they minimise bureaucracy and ensure that maximum funding goes to student education and training? Thirdly, do they ensure diversity of provision, flexibility and real choice for students? Fourthly, will they preserve the best and improve the rest? We shall also look to see whether the proposals give business a sufficient level of involvement in decision taking, and whether they will ensure that local skills gaps and training needs are addressed. Sadly, on the evidence so far, the answer to each of those questions is no, no, no, no, no and no.

We share the concern of the hon. Member for Huddersfield (Mr. Sheerman) about the importance of ensuring that education and training balance the need for theoretical and practical knowledge. Like him, I am anxious to ensure that the more practical skills are valued equally alongside an academic education.

I have dealt with measures that were in the Queen's Speech, but the Gracious Speech also made passing reference to class sizes and performance-related pay for teachers. On class sizes, in the debate that followed the Gracious Speech, we heard the Prime Minister say in his response to my right hon. Friend the Member for Richmond, Yorks (Mr. Hague):

"For the first time in 10 years, in all our schools, the pupil-teacher ratio is on the way down."—[*Official Report*, 17 November 1999; Vol. 339, c. 28.]

It is interesting that the Prime Minister did not want to talk about class sizes—although perhaps not surprising: every time the right hon. Gentleman speaks about class sizes, he gets it wrong, so he has moved the goalposts. Sadly for the Prime Minister, even after he had moved the goalposts, he did not manage to get the ball between the posts and into the net. He was all over the place.

House of Commons Library figures show that, far from the pupil-teacher ratio being on the way down in all our schools, the pupil-teacher ratio for secondary schools went up in the past two years under the Labour Government.

Mr. Robert Key (Salisbury): I am grateful to my hon. Friend. From her extensive visits to schools all over the country, does she agree that it does not matter what the Prime Minister says, because nobody believes him or his education Ministers any more? If she visited Harnham school in my constituency, she would find petitions by parents against the rising class sizes typical of many schools in my constituency. The education authority can do nothing about it, because the Government are adding to class sizes.

Mrs. May: I thank my hon. Friend for his intervention. He is right. Too many schools across the country are faced with rising class sizes and must deal with increased numbers of children in their classes. That does nothing to improve the standards of education in those classes.

The Prime Minister consistently gets the issue wrong. On 7 July he said that the Government were getting class sizes down. On 14 July he said that class sizes were falling, not rising. On 21 July he said that class sizes had fallen, yet House of Commons Library figures show that average class sizes have gone up. Yet again, the Government are saying one thing and doing another.

Ms Perham: I thank the hon. Lady for giving way. Unfortunately, she was not in the Chamber for my speech. Under the Conservatives, 53.5 per cent. of primary classes in my borough had 31 or more pupils, whereas by September 1999, the figure was down to 11 per cent.

Mrs. May: I apologise to the hon. Lady for not having been in the Chamber to hear her speech, but her comments were reported to me. The Prime Minister has on a number of occasions, of which I have cited only a few, made statements about general class sizes falling, or being on the way down, or having been reduced. In reality, the figures show that class sizes on average are going up, but the Prime Minister is never a man to allow the facts to get in the way of his prejudices.

On the reference in the Queen's Speech to rewarding good teachers, there are many people who are worried that not enough time has been set aside for training in preparation for the Government's new system of performance-related pay. We do not know the details of the criteria for what makes a good teacher. The company doing the work seems to have been granted the contract without tendering for it.

The Government have only just advertised for the 1,000 external assessors who will be needed. They have, incidentally, advertised for the person whom they want to employ to sell performance-related pay to the teaching profession, but now local education authorities have discovered that, so far from the Government funding completely the cost of the performance-related pay proposals, they are going to do nothing of the kind. A press release issued by Cambridgeshire county council states:

"Local government Minister Hilary Armstrong has written to all local authorities with the shock news that the additional cost of government plans to introduce performance related pay for teachers will not be entirely funded with new money as expected."

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In a joint statement from the county council, Conservative leader Keith Walters, Liberal Democrat leader Sal Brinton and Labour leader Janet Jones said:

"The whole of the education movement will be annoyed at this U-turn by the Government."

Yet again, the Government say one thing and do another.

Another example of that is in the funding of schools and the budgets of grant-maintained schools. My hon. Friend the Member for West Derbyshire (Mr. McLoughlin) made an excellent speech in which he painted all too clearly the picture of how local authorities are taking money away from schools. Far from improving that situation, the Government are doing nothing about it. Where is the Bill that will set the schools free? Where is the Bill that will ensure that the schools receive all the money that is due to them?

I was not surprised at the contribution to the debate by the hon. Member for Harrogate and Knaresborough (Mr. Willis). Yet again, the Liberal Democrats showed their reluctance to trust the teachers; to allow the schools to get on with the job of running themselves.

The Government said that funding for grant-maintained schools would not be cut when they removed grant-maintained status, and that they would level up rather than cut funding. In reality, throughout Britain, former grant-maintained schools are losing £100 million and teachers are being made redundant. A letter from the head of a former grant-maintained school states:

"I too was sadly deceived by the Government. The assurances were fulsomely and repeatedly given, but the situation is little short of disastrous."

Yet again, the Government say one thing but do another.

It is significant that the Queen's Speech says nothing about teachers' main concern, which is bureaucracy. The Government have introduced 400 new regulations. Last year, they issued 322 circulars, diktats and instructions to schools. I hear from one local authority that between 1 May 1999 and 26 October 1999 it received 282 documents from the Department for Education and Employment—letters, reports, circulars, bulletins, guidance, leaflets and confidential items. Nothing in the Queen's Speech sets schools free from that bureaucracy. As my hon. Friend the Member for Guildford (Mr. St. Aubyn) said, schools are suffering from departmental diktat.

The Government's response to bureaucracy is to issue a bureaucracy cutting toolkit consisting of two documents of 126 pages. One document starts by asking, "What is bureaucracy?" If the Government do not know that, what are they doing issuing a bureaucracy-cutting toolkit? The document contains 38 action points for teachers. They include:

"Define what you mean by bureaucracy . . . Allocate resources for the project . . . Generate a list of possible areas to review . . . Draw up a detailed project plan . . . Map the process being reviewed . . . Capture the resources used by the process . . . Produce a 'baseline' . . . List out the issues . . . Revisit the map . . . Create a final typed up version . . . Review your policy."

Then the Government tell teachers that they should say no. A special case of saying no arises when teachers carry out activities that they have set themselves, such as providing adult supervision in the library or resource area to prevent theft of books. The Government's answer to bureaucracy is to tell teachers not to supervise libraries.

The Government's response to bureaucracy is to tell teachers that it is their fault and that they should learn to say no. Yet the only person at fault is the Secretary of State, who constantly issues circulars and regulations. Bureaucracy will be stopped by a Government who set schools free. The Queen's Speech does not reverse the Prime Minister's broken pledges. The Government promised smaller classes, yet classes grow; they promised increased funding, but they spend a lower proportion than the previous Government; they promised to cut bureaucracy, but they simply blame teachers; they promised fair funding, yet they allow local education authorities to top-slice money. The Government say one thing and do another. The country needs a Government who deliver action, not words; policies, not headlines, and, above all, common sense for our children.

9.41 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): First, I must consult my right hon. Friend the Deputy Prime Minister on the wording that the hon. Member for Maidenhead (Mrs. May) used a moment ago. I am sure that he will be able to unravel it—the rest of us cannot.

It is guaranteed that when Conservative Members choose the debate, whether on the Queen's Speech or on Supply days, they always put education and employment last. I can presume only that that is due to their fear of exposure for their complete lack of policies. A dearth of thinking led the hon. Lady to publish the Conservative party toolkit on education today. Its new policy document, which will be circulated to every school in the country, creates no fear of bureaucracy. It consists of three pages and has taken the Conservative party a year to produce. There is a fourth page of questions on the back of the document. I presume that, by the time of the general election, the document that will tell the nation the Conservative party's plans for education and employment will contain five or six pages.

Mr. Bercow: That is brevity, man.

Mr. Blunkett: It is brevity, man. Brevity has nothing to do with class sizes, the curriculum, literacy, numeracy, post-16 education or lifelong learning, and everything to do with what the hon. Member for Guildford (Mr. St. Aubyn) described so charmingly as cutting costs at the expense of the investment needed in the education of our children.

The Conservative party has brought a whole new meaning to integrity and probity.

Mr. St. Aubyn: Will the Secretary of State give way?

Mr. Blunkett: I shall certainly give way, and I hope that the hon. Gentleman will be able to differentiate the "pro" and the "bity" parts of probity.

Mr. St. Aubyn: I am grateful to the Secretary of State for giving way on integrity and probity. Will he confirm that he told 3Es in Guildford, which is taking over the

management of Kings Manor, that if the project succeeds, the Government will take the credit, but should it fail, they will be the first to blame it?

Mr. Blunkett: I understood that as much as the hon. Lady's gobbledegook. I understand that Surrey county council let Kings Manor school down.

Miss Widdecombe: Lib-Lab.

Mr. Blunkett: Liberals? The last time I met the chair of education in Surrey, he was a Tory. Perhaps he has defected in the past 24 hours. Let us face it: people who cannot run their schools and who advocate that the mayor of Jersey should cut costs in schools by a third have a great deal to learn. The Conservative party places the emphasis on competition, not competence, and on helping some parents to avoid failure rather than avoiding failure for all parents and their children. That is the difference.

I want to deal with one or two of the more salient points raised by the hon. Member for Maidenhead. First, I should hate us to disagree on things about which we do not disagree, because there is plenty about which we can genuinely fall out. I assure her that our special educational needs proposals do not involve setting targets for reducing statementing or any of the suggestions that she made. I do not want Members to get into a party political football match about issues on which we should be uniting to provide new rights and opportunities to raise standards for those with special needs and their parents.

My hon. Friend the Member for Leeds, Central (Mr. Benn) made that point eloquently and also spelled out very clearly indeed our policy and the commitment that we are making to the inner city through excellence in cities and backing teachers and head teachers who are doing a good job. I congratulate those whom he mentioned tonight on the work that they are doing and the improvements that they are achieving in his constituency and in many others across the country. They are achieving those improvements with our backing, because we are putting in place the resources and the support necessary to make it possible for them to raise standards.

Mr. Robertson *rose—*

Mr. Rowe *rose—*

Mr. Blunkett: I shall give way to the hon. Member for Tewkesbury (Mr. Robertson).

Mr. Robertson: On special educational needs, will the Secretary of State pay tribute to the special schools? Will he confirm that he believes that a number of children simply cannot be integrated into mainstream schools because of the difficulties that they have?

Mr. Blunkett: I have made it clear on a number of occasions that there will and must be diversity of provision available for those with special educational needs. *[Interruption.]* From a sedentary position, a Conservative Member says, "Stop knocking special schools." If any Conservative Member can find a single occasion on which I have knocked special schools, I shall take lectures from him. I happen to know something about them because I went to one and two of my three sons have dyslexia—I know a damn sight more about them than Conservative Members ever will.

I am in favour of providing specialist education, day or residential, for those children who particularly need it. I want integration where parents and children wish it and can benefit from it. It is as simple as that. Those ideas are not dogmatic; they are in the interests of the individual child. That is the way in which we should proceed for all our children, and we should not promote the idea of selling off or giving away schools. It is the cheek of the day for the Conservatives to call schools "free". They want funding by the state, but without any cohesion in terms of admissions, any integration in terms of places, any connection in terms of co-operation, or any belief that schools can spread excellence, one to another. Instead, they believe only in competition and knockout education politics.

We believe in something entirely different. As we have set out today, we believe that beacon schools can spread excellence, one to another, and that the achievement of excellence in cities will, as it spreads across the country, ensure that learning mentors can work with individual children and their families. We believe in using learning support units because we want to ensure that children are not dumped on the street when they are in difficulties, but are reconnected with education so that they can reconnect with life.

A child who is dumped on the street is a potential criminal. My right hon. Friend the Home Secretary can confirm that 65 per cent. of those on remand have a reading age of eight or below. That is why we should wholeheartedly condemn the Conservatives' idea of abandoning targets on exclusion and truancy. They want to go back to the bad old days in which out of sight, out of mind children were on the streets, creating havoc in the neighbourhoods.

Mrs. May: I am grateful to the Secretary of State for giving way on that particular point, which he raised earlier in an intervention on my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe).

The Minister of State, Home Office (Mr. Paul Boateng): The right hon. Lady did not answer.

Mrs. May: My right hon. Friend did answer, because she made the point that the Secretary of State was distorting our proposals.

The targets to reduce exclusions could lead to heads being forced to keep disruptive pupils in class. That is in the interests of neither those children nor the others in the class who want to learn. We propose that heads exclude where necessary, but that children who are excluded are provided with an appropriate education out of school, away from the peer group pressures that are causing their problems.

Mr. Blunkett: When the hon. Lady's party was in power, exclusions and truancy increased year on year. The education that such children received averaged two hours a week. The previous Government were not interested in tackling the problem head-on; unlike us, they did not invest in a learning support unit for every two secondary schools in an inner city and also learning support for full-time education for children across the country.

[Mr. Blunkett]

Of course we want disruptive children out of the classroom to prevent them from disrupting the education of others. Teachers must be able to teach, but we must ensure that those children do not become the criminals of the future, at great cost to the community. We do not want another generation of imprisoned and disfranchised men and women, in trouble with the law in the inner cities, whose children have no expectations or aspirations.

We are endeavouring to break the cycle of generational unemployment, underachievement and educational failure. That is the reason for our policies, such as sure start, for early years. We have invested in doubling the number of nursery places and our policy to reduce class sizes has been successful. Some 304,000 children have been taught in classes of fewer than 30, thanks to our class size policy. The proportion of children in large classes has fallen for the first time in 10 years. The teacher-pupil ratio, including at junior school level, has fallen for the first time in 10 years.

Mrs. May: The right hon. Gentleman is wrong.

Mr. Blunkett: I am not wrong. These are actual statistics for infant and junior classes. The teacher-pupil ratio in early years and nursery education has fallen for the first time in a decade. We are making a difference at every stage of children's lives.

Mrs. May: Will the Secretary of State confirm that the number of children in class sizes of 36 or more has doubled under this Government?

Mr. Blunkett: No, I will not confirm any of the hon. Lady's statistics. I will confirm that the teacher-pupil ratio has fallen from 23.7 to 23.5 in primary schools and that we have reduced infant class sizes of more than 30 from 485,000 to 181,000 in the past 18 months. We are making a difference—we are fulfilling our pledges right across the board. We are ensuring that children who were abandoned by the previous Government are given a chance through the literacy and numeracy programmes, which are working. The achievement of a 5 per cent. increase in literacy and a 10 per cent. increase in numeracy speaks volumes.

What does the Conservative party propose in its new document? It even wants to abandon the national curriculum which it introduced when it was in power. Conservative Members call their proposal freeing up schools to do what they like, when they like. Does that mean no literacy or numeracy hours? Does it mean abandoning the teaching of history, geography, sport, music or art? It is like a kind of self-perpetuating anarchy—a community in which school is set against school and parent against parent.

Yes, we are in favour of parents having a direct say. That is why we have increased the number of parents on governing bodies. It is why at the Charter school in Dulwich we got together with parents to create a wholly new school. Working with its neighbouring schools, it will be part of the area's admissions policy and will complement, not compete with, the local education system.

We want parents to be involved, we want new types of schools and we want diversity. On Thursday, we shall announce new sports and arts colleges. We are providing real opportunity with collaboration between teachers and local authorities, between Government and parents, and between schools so that they make a difference rather than knock each other out. We intend to do the same for post-16 education.

Today, we announced the largest ever investment in further education in one year. We have been pleased to announce—I am proud to repeat it tonight—a 10 per cent. cash increase for further education in 2001. It will enable sixth form, tertiary and further education colleges to take on the challenge and give people a first and a second chance. They can give adults, as well as young people, the chance of a high-quality education wherever they are, and skill the nation for the future.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) challenged me to repeat what we said when we first came to office; I shall do so now. We want a knowledge-based economy in which we rely on all our human capital, not just on a small elite educated to a higher level, abandoning the rest to their fate. We want an economy that is deeply committed and necessarily dependent on a population that is able to use all its talent to the full. We want to skill people through further and higher education so that we can take on the global economy and compete and lift our productivity in the 21st century. We should be able to take on the best that the world has to offer, whether through information and communication technology or through basic skills.

That is why the learning and skills councils, nationally and sub-regionally, will be able to deliver. Of course they will have the power to determine what happens in their own localities. They will have independent budgets, which will allow them to choose. We will have ripped out the Soviet-style wholesale warehousing system that ensured that money intended for the training and skilling of our people was hived off into administration and bureaucracy. Instead of sitting on our hands and waiting for the rest of the world to pass us, we are investing in the education of our people at every level, from the earliest years through to lifelong learning.

In response to the right hon. Member for Cities of London and Westminster (Mr. Brooke), yes, we will take on the challenge of quality in higher education—but it must be real quality that is respected across the world if we are to compete with the rest of the world. People in Singapore do not look for second rate and second class, but for first class that they can buy anywhere in the world, from North America to Europe.

Mr. Geoffrey Clifton-Brown (Cotswold): Will the right hon. Gentleman give way?

Mr. Blunkett: I shall give way one more time.

Mr. Clifton-Brown: I am grateful to the Secretary of State for giving way at this late stage in his speech. If he really meant what he said just now—that he would give

our young people a first and second chance to become properly skilled—why has a large comprehensive school in my constituency—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Gentleman will not get away with making a speech.

Mr. Clifton–Brown: On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. If it is about my ruling, I can tell the hon. Gentleman that interventions must be brief. Perhaps I have let him off too easily in the past.

Mr. Blunkett: We are investing resources, backing teachers, creating professionalism and retraining those in the classroom to be able to do the job and ensure that young people can earn their own living and have the skills to succeed. Our new deal proposals will ensure that every young person and everyone seeking a job has the opportunity to work, to learn, to earn and to create their own family for the future, which is what Conservative Members expect for themselves and their children. We are giving to the nation what in the past was expected by a few, but in future will be taken for granted by the many.

Question put, That the amendment be made:—

The House divided: Ayes 181, Noes 338.

Division No. 1] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Jackie
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Campbell, Rt Hon Menzies *(NE Fife)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice & Howden)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harris, Dr Evan
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heath, Rt Hon Sir Edward
Heathcoat–Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mrs. Jacqui Lait and
Mr. Stephen Day.

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Hilary *(Leeds C)*
Benn, Rt Hon Tony *(Chesterfield)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*

Brown, Russell *(Dumfries)*
Browne, Desmond
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Rt Hon Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hoon, Rt Hon Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moran, Ms Margaret
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Rt Hon Giles
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey

Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. Clive Betts and
Mr. Robert Ainsworth.

Question accordingly negatived.

Main Question again proposed.

It being after Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Supreme Court of England and Wales

10.15 pm

The Parliamentary Secretary, Lord Chancellor's Department (Jane Kennedy): I beg to move,

That the draft Maximum Number of Judges Order 1999, which was laid before this House on 1st November, in the last Session of Parliament, be approved.

My hon. Friends and comrades who work through the usual channels—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Will the House come to order. The hon. Lady is addressing the House.

Jane Kennedy: My hon. Friends and comrades who work through the usual channels are keenly interested to find out how quickly I can persuade the House that the draft order should be approved. I assure you, Mr. Deputy Speaker, that I do not seek to detain the House for too long.

The statutory ceiling for the number of High Court judges in England and Wales was last increased, from 85 to 98, by the Maximum Number of Judges Order 1993. This order will further increase that number to 106.

The High Court faces additional challenges in the coming years. Those will arise principally from the implementation of the Human Rights Act 1998 and the Immigration and Asylum Act 1999. It has become clear that in the face of those challenges, even with the relief afforded by the implementation of the civil justice reforms in April this year, the High Court Bench will be under severe pressure unless additional judicial court time can be brought on stream as and when required.

This Administration came to office promising to modernise Government and strike a new—and better—balance between the citizen and the state. Incorporating the European convention on human rights is a part of that promise. The Human Rights Act will create and promote a culture of human rights in Britain. It will make citizens more aware of their rights and make it much easier for them to enforce them. It is the fulfilment of the Government's pledge that the rights enshrined in the European convention should be "brought home".

We must ensure that this important component of our programme of reform works effectively. The higher courts will have a key role in that. In particular, all first instance courts will be looking urgently to the judges in the Crown Office list and in the Court of Appeal for lead cases to inform the way in which they are to take decisions. We need to have enough judges to do that quickly so that cases do not build up in the lower courts awaiting the outcomes of leading cases.

The most significant effect on implementation of the 1998 Act is expected to be felt in the divisional court of the Queen's Bench and the Crown Office list. Those courts are the forums for challenging, through judicial review, the actions or decisions of any person or body charged with the performance of public acts and duties. The Human Rights Act imposes a duty on all public authorities to act in accordance with the European convention on human rights. Both court arenas may expect a substantial increase in work load.

[Jane Kennedy]

The assessment of the Lord Chancellor's Department is that applications for leave to move for judicial review in criminal cases may well double from the 300 received in 1998 to 600 per year. It is anticipated that the vast majority will require a hearing before a single judge. It is further thought that as many as one quarter of the applications may be allowed and would then proceed to the full divisional court for determination.

Mr. Douglas Hogg (Sleaford and North Hykeham): Will the hon. Lady give way?

Jane Kennedy: I will, but my speech will be relatively short and there will be plenty of opportunity for the right hon. and learned Gentleman to make a speech of his own.

Mr. Hogg: Will the hon. Lady tell the House how many part-time High Court judges there are? What will be the effect on the number of High Court judges required if the decision on sheriffs in the Scottish courts applies in England?

Jane Kennedy: I do not have the exact figure in front of me, but I will try to get it before the end of the debate. The Lord Chancellor is considering the decision to which the right hon. and learned Gentleman referred. At this moment, it is not felt that it will have immediate implications, but those are being considered. A response will be forthcoming in due course.

The assessment of the Department is that applications for leave to move in criminal cases may well double, as I said. It is estimated that between 1,000 and 2,000 additional applications for leave to move for judicial review may be made in immigration cases after implementation of the Human Rights Act. Even if only a quarter were to receive it, it would lead to an increase of 65 per cent., or about 250 cases, in the Crown Office list.

Appeals from magistrates courts by way of cases stated may increase by as much as 70 per cent., particularly in the first two years after implementation of the Human Rights Act. Virtually all those appeals would have to be heard by the divisional court rather than a single judge. Other non-criminal applications for judicial review may increase by up to 20 per cent. The majority of those applications for leave will be taken by a single judge and one third may proceed to hearing before the divisional court.

In the family division, it is anticipated that human rights points will be taken in up to 50 per cent. of cases. The division has already determined that all cases raising such points should be heard at the Royal Courts of Justice, placing additional pressures on the High Court Bench in London.

In the criminal division of the Court of Appeal, implementation of the Human Rights Act is expected to lead to an increase of a third in cases coming to the court on points of law relating to the European convention on human rights. In the civil division of the Court of Appeal, pressure is expected to arise both from the Act and, this year, from appeals testing the recent civil justice reforms.

I have already referred to the expected increase in applications for judicial review in immigration cases. The Administration are committed to providing a firmer, fairer and faster system for dealing with immigration and asylum cases. The number of asylum applications to the Immigration and Nationality Directorate of the Home Office has already undergone a dramatic increase, from 29,600 in 1996 to the number expected for this year, 85,000. That huge increase will inevitably lead to a dramatic increase in the number of appeals. In 1996–97, there were 23,200 asylum appeals. Next year, about 40,000 are expected, but it could be as many as 67,000.

An integral element of the Immigration and Asylum Act is the provision of speedier initial decision making and appeals. It is therefore essential that the courts are ready to meet that challenge. The criminal division of the Court of Appeal and the Queen's Bench divisional court will require additional sittings, both by the High Court Bench and by lords justices to handle the expected influx of human rights and immigration work. The latter requirement will be met by diverting the time of some lords justices from the civil division of the Court of Appeal. That deficit will have to be made good by a commensurate increase in High Court judges.

It is essential that the courts are well prepared to meet additional pressures. The Lord Chancellor has judged that some increases to the High Court Bench need to be made by the beginning of next year.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Some of us are very concerned about the court system. It appears at one and the same time to be expanding considerably at High Court level while seeking to contract at magistrates court level. Can my hon. Friend assure me that the extra cost of the judges will not be taken from existing budgets? If it is, and many of us are to lose access to magistrates courts because of concentration on the ground of economy, there will be some misunderstanding if at the same time extra people are being appointed at the top of the system.

Jane Kennedy: I am grateful to my hon. Friend for raising that issue. She will forgive me because I am very new to this brief but as I understand it, the reform for which we are seeking approval tonight will enable the higher courts to meet the increased work load that is the inevitable consequence of various Acts that have already been passed. The work load in the lower courts is not expected to decline, so it is not a cost-saving measure.

Mr. Tam Dalyell (Linlithgow): On the question of work load, I hesitate to intervene, but it was in Linlithgow sheriff court that the crucial judgment was made in relation to the temporary sheriffs. My hon. Friend cannot be expected to do this tonight, but as the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said, some reference should be made to the chaotic situation that has been created in Scotland.

Mr. Deputy Speaker: Order. I point out to the hon. Gentleman that this is an order relating to the Supreme Court of England and Wales.

Jane Kennedy: I am searching for the advice that I could give to my hon. Friend. The issue is straightforward. The decision in the Scottish court was a decision for the Scottish courts. I cannot answer for decisions in the Scottish courts. However, the

implications of that decision are being considered by the Lord Chancellor, who will in due course make a response to it.

I am seeking to draw my comments to a conclusion—not in order to avoid further interventions. I hope that the House will forgive my taking these few minutes to explain why the order is necessary. I commend it to the House.

10.26 pm

Mr. Nick Hawkins (Surrey Heath): I congratulate the Minister on the accuracy with which she read out pretty well word for word the first seven paragraphs of what Lord Bach said when the order was debated in another place. Having said that, may I turn to some interesting points that arise from the order? Has the Minister considered the implications of the Human Rights Act 1998 and the compliance cost assessments that were put to the House on that Act and the Immigration and Asylum Act 1999, as they have to be submitted in relation to all Acts of Parliament? On further reflection, in the light of what Lord Bach said in another place and the Minister has repeated tonight, do those compliance cost assessments need to be corrected and does some kind of apology need to be given for perhaps an underestimate of the extra costs that those pieces of Government legislation would bring about?

The Minister is talking about some fairly major changes in the work load according to her own assessment. Even if only a quarter of the applications are allowed and proceed to the divisional court for determination, 1,000 to 2,000 additional applications will be made for leave to move in immigration cases after implementation of the Human Rights Act. That is a substantial increase. While it is recognised that the Government have to reflect on the consequences of their legislation, I should like to raise some further specific issues. I ask the Minister to comment on them in her reply.

In another place Lord Kingsland asked Lord Bach what saving in judicial time the Department expected as a result of the Woolf reforms—the reforms to the civil courts. Lord Bach said:

"I am not in a position to be able to give any real estimate as to the number of Court of Appeal judges that may be required as a consequence of the extra work involved. However, I promise the noble Lord—

the shadow Lord Chancellor, Lord Kingsland—

"that I will take this back to the Department. I shall ensure that research is carried out and that a letter is sent to the noble Lord, a copy of which will be placed in the Library at the same time."—[*Official Report, House of Lords*, 10 November 1999; Vol. 606, c. 1389.]

That debate in another place took place almost a fortnight ago, yet when I checked in the Library half an hour before the Division I was told that no copy of any such letter had been placed in the Library. I am sure that the Minister will recognise that almost two weeks is rather a long time for a letter to be placed in the Library of the House—one on which Lord Bach gave a solemn undertaking. Will the Minister comment on that matter? Will she ensure that the sending of the letter is expedited, as it does not appear to have taken place?

Will the Minister comment on the concerns expressed in a book entitled "The New Judiciary: The effects of expansion and activism"? The foreword is by Lord Justice Sedley, and the book was written by an academic at the London school of economics—Kate Malleson. She writes about the development of judicial review over the past 30 to 40 years—something that has certainly led to a need for further judicial appointments. She states:

"The publication of a guide to civil servants in 1987 and updated in 1995 entitled "The Judge over your shoulder" illustrates the extent to which judges have come to oversee the work of government in its broadest sense. This process of increasing judicial activism is about to enter a new phase with the passing of the Human Rights Act, incorporating the European Convention on Human Rights into domestic law. The exact effects of the change are still very much open to debate, but few doubt that one result, in the short term at least, will be to fuel the growth of judicial activism."

Does the Minister feel that, as a result of that increase in judicial activism, even the maximum number of judges she proposes will be insufficient? Kate Malleson continues:

"This expansion of judicial power is redefining the role of the judges in ways which are only just starting to emerge. As well as raising implications for the political system at a general level, the changes have particular consequences for the structure of the judiciary and the processes by which it operates. Some indication of the likely direction of these trends can be gleaned by reviewing the experience of the judiciaries of other countries since the developments in judicial activism in England and Wales are mirrored by strikingly similar changes world-wide."

If the consequences of the provisions in the Human Rights Act 1998 and the Immigration and Asylum Act cause the pressure outlined by the Minister this evening and by her noble Friend Lord Bach in another place, will that not lead to yet more of what the academic author described as "judicial activism"? Should we not be extremely concerned about that in this House, where we have always been conscious of the preservation of the separation of powers doctrine? When the Minister sums up this important debate, I hope that she will give us some answers on the consequences—perhaps not fully thought through—of the measures that the Government introduced in the previous Session, which have led to the need for extra judges. I hope that she will also comment on the dangers of greater judicial activism.

10.33 pm

Mr. Andrew Dismore (Hendon): May I take this opportunity to congratulate my hon. Friend the Parliamentary Secretary on her appointment? It is the first chance that I have had to do so. She is probably aware that I have more than a passing interest in the judiciary. While maintaining standards, it is important that we do all that we can to ensure that the expansion of the bench that is proposed is more representative of the wider community—especially in improving ethnic and gender balance—that the judiciary is seen to be impartial and independent, and that public confidence in the judiciary, which has taken a real knocking, is restored.

That is especially important because one of the main reasons for the expansion given by my hon. Friend in her introduction is the expected increase in work as a consequence of the passing of human rights legislation. To that extent, I agree with the hon. Member for Surrey Heath (Mr. Hawkins) that the judiciary will increasingly be seen as having a political role when deciding cases on human rights, as well as, for example, those on devolution matters and on European law more generally.

[Mr. Andrew Dismore]

On 18 November, research was published by the Nuffield Foundation which showed how out of touch people believed the judiciary to be. An article on the research stated that

"people saw judges as old, white and male, reflecting the values and biases of a privileged elite . . . Two out of three thought judges were out of touch with ordinary people's lives."

It was particularly worrying that, as the report stated of those who were subject to the survey:

"There were virtually no significant differences in the response to this question (whether judges are out of touch) depending on age, education, employment status, problem type, previous experience of legal advice, or involvement in legal proceedings."

At a press conference, Lord Woolf responded to the survey by simply blaming irresponsible media reporting of judges. However, that is not the answer. I believe that the problem is more deep-rooted. That research supports the argument that, when opportunities arise to increase the number of judges, steps must be taken to start dealing with the crisis of confidence in the judiciary.

I am sure that, at this late hour, it will come as a relief to the Parliamentary Secretary and other hon. Members that I do not propose to make detailed arguments against secret soundings, or for reform of court dress, or for a judicial appointments commission, or for a register of interests for judges. My principled arguments have been made on previous occasions.

However, I will say that the secret soundings system plumbs the depths of private prejudice. It permits the unfettered exercise of byzantine power by the inner cabals of the legal and judicial establishment, as that establishment continues to clone itself, ensuring that the bench remains the unrepresentative bastion of privilege that it has been for centuries.

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Gentleman is straying rather wide of the mark. Will he come back to the quite narrow confines of the number of judges to be appointed?

Mr. Dismore: Thank you, Mr. Deputy Speaker.

When we are considering increasing the number of judges in the High Court, we must do something to address the appalling imbalance of race and gender, because at the moment only seven of 98—

Mr. Deputy Speaker: Order. That is not what we are here to discuss this evening.

Mr. Dismore: I take on board your constraints, Mr. Deputy Speaker.

Mrs. Dunwoody: Is it not important that, of the new judges that are appointed, many are women and many are from ethnic groups that are not represented? Is it not important that the Department takes the responsibility for looking at the judges that we do have before it takes on even more?

Mr. Dismore: I am grateful to my hon. Friend for that intervention. She is absolutely right. Of the 98 High Court judges, only seven are women and all are white. I regret to say that, of the additional appointments that have been made since the general election, the situation has got worse, if anything, in that, of the 85 judges of all ranks appointed, less than 10 per cent.—only seven—were women, and none were from the ethnic minorities.

The Lord Chancellor is to be congratulated on setting up, during the summer, the review by Sir Len Peach of the judicial appointments procedures, building on some of the reforms already instituted, but I regret that he did not have the opportunity to consider the issue of secret soundings, especially bearing in mind the large number of organisations that have taken objection to, and withdrawn from, the secret soundings system.

Nevertheless, having met Sir Len, I am sure that he will come up with some very worthwhile ideas and proposals to improve the present very flawed system. I therefore ask my hon. Friend the Parliamentary Secretary, in the context of trying to make the existing procedures a little more open and accessible, to attempt to restore some public confidence. Assuming that the order is approved tonight, will she publish the Peach report before any vacancies are advertised, and will the way in which any appointments under the order are made take account of the recommendations of Sir Len Peach?

Those are very important questions, and it is important that, when we are considering increasing the number of judges, we do something about redressing those imbalances and try to appoint them by a much more open and fair procedure. I hope that that is what Sir Len Peach comes up with. I hope that my hon. Friend will respond positively to those points.

10.38 pm

Mr. Douglas Hogg (Sleaford and North Hykeham): I shall confine myself to two remarks.

First, it is plain to me that the increase in numbers from 98 to 106 is inadequate to meet the demand that we shall shortly see. There are two reasons for that increase in demand. One is the advanced increase of litigation that will flow from the incorporation of the European convention into municipal law. I favour the incorporation of that convention into municipal law, but it will increase the amount of domestic litigation very substantially, and, as it will go to the High Court, it will require a substantial increase in the number of High Court judges.

Secondly, I take up the point made by the hon. Member for Linlithgow (Mr. Dalyell). What was said in the Scottish courts as regards the validity of the appointment of temporary sheriffs has a very powerful implication for the status of judges in England and Wales, because deputy High Court judges have exactly the same status as deputy sheriffs, and if we are going to discover that deputy High Court judges do not have the character of independence required by the convention, we shall find that there is an enormous shortfall in the number of judges required in the High Court bench. For that reason also, we shall find that the increase from 98 to 106 is quite inadequate.

The inevitable consequence of both of those facts—the first is certain and the second is possible—is that we shall have to bring forward further orders that will substantially increase the number of High Court judges.

10.40 pm

Mr. Tam Dalyell (Linlithgow): Following the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), I firmly place myself in order by

saying that the Minister said that the Lord Chancellor was considering what had happened in Scotland concerning temporary sheriffs.

I should be candid with the House and state that Jim Keegan, the lawyer who brought the test case in the High Court, is a close personal friend of mine, and I ought to say that my daughter worked for four years in his law firm in a junior capacity.

The important point is that there has been chaos in the Linlithgow sheriff court as a result of that ruling—

Mr. Deputy Speaker: Order. Before the hon. Gentleman goes any further, I must remind him that we are talking specifically about an increase in the number of judges in England and Wales.

Mr. Dalyell: The Minister said, and I think that she will confirm it, that my right hon. Friend the Lord Chancellor was considering the very matter of the effect of the ruling in the Scottish court, so, if I am considered to be out of order, I think that I am entitled to ask what on earth a Lord Chancellor is doing reviewing a decision in the Scottish court? What exactly are the terms of the Lord Chancellor's review, and why is he involved? I must confess that I am slightly surprised that he is involved, and I was surprised by my hon. Friend the Parliamentary Secretary's statement—I neither praise nor criticise it. However, in the devolved world that we now inhabit, it seems a matter for explanation that an English Lord Chancellor should be reviewing that particular matter.

I shall be succinct. The full impact of the ruling, which outlawed the use of temporary sheriffs, was felt on Wednesday 17 November, in the Linlithgow sheriff court, when—

Mr. Deputy Speaker: Order. The hon. Gentleman is an experienced Member of the House. He is now straying well wide of the increase in the number of judges in England and Wales, which is what we are here specifically to discuss.

Mr. Dalyell: I am obedient to the Chair, as always, so I shall simply say that I imagine that the whole issue of the procurator fiscal and her dilemma in the Scottish courts will be considered by the English Lord Chancellor. I ask my hon. Friend the Parliamentary Secretary to explain exactly what are the Lord Chancellor's terms of reference in the matter. I am fascinated.

10.43 pm

Mr. John Burnett (Torridge and West Devon): I do not think that the order will cause massive ructions in the House tonight, but it raises important issues. As many have said, the order will increase the number of High Court judges from 98 to 106.

The Human Rights Act 1998 will impose further duties and burdens on the judiciary, as will the Immigration and Asylum Act 1999 and the Woolf reforms. It is important that the courts are prepared for those additional pressures.

I want to address a few points that arise from the order. Several right hon. and hon. Members have referred to the case of Starrs *v.* the procurator fiscal for Linlithgow, which was reported in *The Times* on 17 November 1999. By an odd coincidence, the lead judgment was given by Lord Reed, who I gather was formerly a junior to my right hon. and learned Friend the Member for North-East Fife (Mr. Campbell). The judgment is important, Mr. Deputy Speaker, because it has persuasive authority in England and Wales.

The case held that, under article 6 of the European Convention on Human Rights, an individual charged with a crime is entitled to a hearing before an independent and impartial tribunal. It held further that a judge who had no security of tenure and whose appointment was subject to annual renewal was not independent within the meaning of article 6. It was, therefore, unlawful for the Crown in Scotland to prosecute an individual before such a judge. The case is therefore persuasive in England and Wales.

The Minister has already told the House that, rightly, the Lord Chancellor is considering the judgment. Will she give some idea of when he is likely to come up with proposals arising from such consideration? Do the Government propose to make any changes to the process of appointment of assistant recorders and deputy judges in England and Wales as a result of this important decision? Will the decision mean that Ministers will have to come back to Parliament again in the near future further to increase the number of High Court judges in England and Wales? Does the Minister believe that the increase will lead to additional pressures in the Court of Appeal? Do the Government believe that additional judges should be appointed to that court?

We want justice that is open to all. It must be scrupulously impartial and fair. It must also be swift. We support the order.

Mr. Dalyell: On a point of order, Mr. Deputy Speaker. My curiosity overcomes me. Why, in a highly pertinent, relevant and important speech, can the hon. Member for Torridge and West Devon (Mr. Burnett) get away with commenting on what happens in my constituency, but I am shut up? By what reasoning did that happen?

Mr. Deputy Speaker: It is because the hon. Member for Torridge and West Devon (Mr. Burnett) related his remarks much more directly to the case in England and Wales, which is before the House.

10.46 pm

Jane Kennedy: To be sure that I am in order, I seek the leave of the House to respond to the debate—although I am not entirely sure that it is necessary.

This is an important debate, and I am grateful for the points that have been raised. I shall start by responding to those made by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who was the first to ask me about the impact of the Scottish decision. The issue impacts on the English and Welsh jurisdiction, but there is no fixed number of deputy High Court judges. Any qualified person can be appointed temporarily by the Lord Chancellor. Therefore, the figure that he asked me for cannot be simply given.

Mr. Hogg: How many are there?

Jane Kennedy: I hope that I shall have that answer before I finish my speech. If I cannot get it, I shall write to the right hon. and learned Gentleman.

I shall address the issue of temporary sheriffs and the Scottish decision before quickly dealing with points raised by various hon. Members. If I misled my hon. Friend the

[Jane Kennedy]

Member for Linlithgow (Mr. Dalyell), I apologise to him. Of course the Lord Chancellor is not reviewing the decision of the Scottish court. He has no power to do so. However, he is considering its effects on English part-time judges—deputy district judges. In that sense, the decision will have an effect. I am not in a position to answer the question put to me by the hon. Member for Torridge and West Devon (Mr. Burnett) about exactly when the Lord Chancellor will respond to such consideration, although it is urgent.

The hon. Member for Surrey Heath (Mr. Hawkins) raised three issues with me. I shall respond to them with as much charm as I am able—perhaps to make up for his lack of it. *[Interruption.]* It has been four and a half years since I have been free to rise to my feet to speak in the House, so I might be a little rocky.

When the hon. Gentleman asked me about the implications of the compliance cost assessment, I had at first absolutely no idea what he was referring to. I believe that he is means the compliance cost assessment for each Bill. At this stage, I am unable to answer his detailed question and I could not answer on behalf of the Departments who took through the Bills to which he referred.

The hon. Gentleman also asked about the information requested by the shadow Lord Chancellor in the other place. Lord Bach has written to Lord Kingsland and the letter was sent on 17 November. I undertake to ensure that a copy of the letter is placed in the Library, as promised.

On the issue of judicial review, it is true that there has been an enormous increase in its use. The Human Rights Act will, by its very nature, generate more use of judicial review: as people become more aware of their rights and seek to exercise them, we expect an exponential growth in the use of judicial review. In the short term, there will be more such cases, but, as the system gets used to the operation of the Act, we expect the flow to steady as public authorities become used to considering human rights issues as they conduct their business.

My hon. Friend the Member for Hendon (Mr. Dismore) raised several important points; he has developed a reputation in respect of these issues, and I commend his diligence. The system of consultation on the appointment of judges is referred to as "secret soundings", but assessments are sought against specific criteria and information on those who are consulted is publicly available. The assessments are given in confidence, but many candidates take up the offer of feedback, which includes the substance of the assessments received but does not reveal the source.

I cannot anticipate Sir Leonard Peach's report. Whatever its recommendations, the Lord Chancellor will consider that report with care before making any announcement. Because of their infrequency, individual High Court vacancies have never been advertised: applications have been invited from those interested in appointment to the High Court bench. We do not want appointments to the new positions that we are creating through the order to be delayed for any reason, especially by a process whose outcome we cannot predict. In addition, the Peach inquiry will initially examine the lower courts, not the High Court.

Mr. Dismore: My understanding of Sir Leonard Peach's terms of reference is that he is to consider judicial appointments across the board, including those to the High Court. As for secret soundings, they are called that because the person who is affected—the applicant—has no knowledge, except in the most general terms, of what comments have been made about him or her before or after a refusal. That is why they are roundly condemned by many in the profession.

Jane Kennedy: My hon. Friend returns to the point with his usual diligence. All I can say is that we shall await the publication of the Peach report and consider the recommendations carefully. I cannot ask the House to accept the imposition of delay on the implementation of the order by having to wait for the findings of that inquiry.

My hon. Friend mentioned the imbalance in the proportion of women and members of ethnic minorities who are represented in the judiciary. The Lord Chancellor takes no satisfaction in that imbalance and has taken several steps to redress it. We believe that, as more women and members of ethnic minorities enter the legal profession, their numbers in the judiciary will continue to show a steady increase. However, there is no room for complacency. The Lord Chancellor will continue to encourage applications from all eligible candidates, especially from those who are currently under-represented on the Bench.

Mr. Michael Jabez Foster (Hastings and Rye): My hon. Friend said that the reason for non-advertisement was that the positions were infrequently available. Given that, on this occasion, there is a job lot, is this not an opportunity for her to suggest to the Lord Chancellor that, on this occasion, the positions may be advertised?

Mr. Deputy Speaker: Order. Before the Minister responds to that intervention, perhaps I can help her. We are not discussing how judges are selected. We are talking precisely about why we need more judges in England and Wales.

Jane Kennedy: I am grateful to you, Mr. Deputy Speaker, for that pointer.

If the increase in the number of High Court judges is inadequate, as suggested by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), there can be further increases. As there is no power to reduce the number, the Lord Chancellor must err on the side of caution.

Mr. Hogg: I hope that, before the Minister resumes her seat, she will address the question raised by the hon. Member for Torridge and West Devon (Mr. Burnett) on the impact on the Court of Appeal of the European convention and the Immigration and Asylum Act 1999. By what number does she anticipate that the Court of Appeal will have to be increased? She will bear in mind that Court of Appeal judges are drawn from the puisne Bench. That being so, more judges in the Court of Appeal will mean more judges to the puisne Bench, and we need to know how many.

Jane Kennedy: The Access to Justice Act 1999 allows us to divert from the Court of Appeal those cases that,

by their nature, do not require the attention of the most senior judges. I cannot give a figure to the House today but I shall seek—*[Interruption.]*

Mr. Hogg: The Minister may have one now.

Jane Kennedy: I do not have a figure for the number of judges, but the impact that the Human Rights Act 1998 will have on the work load of the court service has been estimated by drawing on the experience of other countries that have implemented similar human rights legislation. We expect the impact to be felt in a series of ways. Committals for trials are expected to increase by 2,575 cases a year. I could give more figures if the House wanted them. Appeals are predicted to rise by 25 per cent. in each of the first two years and by 10 per cent. per annum thereafter. However, none of those figures relate to the effect that there will be on the number of judges in the higher courts. I am not able to give the right hon. and learned Gentleman that figure.

I can tell the House that the average hearing time for a trial is predicted to increase by 12 per cent. per annum for the first two years and 10 per cent. thereafter. I have already given the right hon. and learned Gentleman those figures. The average hearing time for an appeal is predicted to increase by half an hour for the first two years and by 15 minutes thereafter.

I am grateful for the direction and assistance that you have given me, Mr. Deputy Speaker. I am grateful for the support of some hon. Members, although I have obviously not been able to please most of those Members who have contributed to the debate. Approval of the instrument will enable the High Court to meet the challenges arising on implementation of the Human Rights Act and the Immigration and Asylum Act and to ensure the efficient and timely disposal of court business, and I hope that the House will approve it.

Question put and agreed to.

Resolved,

That the draft Maximum Number of Judges Order 1999, which was laid before this House on 1st November, in the last Session of Parliament, be approved.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

WORLD TRADE ORGANISATION MILLENNIUM ROUND

That this House takes note of European Union Document No. 10297/99, a Commission Communication on the European Union approach to the World Trade Organisation Millennium Round; considers that a new comprehensive round of trade negotiations is essential for growth and jobs, for maintaining the momentum of trade liberalisation and counteracting protectionist pressures, for promoting sustainable development and better integrating developing countries into the world trade system; and supports the Government's intention to press for this approach within the EU.—[*Mrs. McGuire.*]

Question agreed to.

HMS Gannet

Motion made, and Question proposed, That this House do now adjourn.—*[Mrs. McGuire.]*

10.59 pm

Ms Sandra Osborne (Ayr): I am grateful for the opportunity to raise a matter of great concern in my constituency—the future of HMS Gannet, which is based beside the small village of Monkton, near Prestwick.

I preface my remarks by stating that I support the strategic defence review and acknowledge that changes at HMS Gannet can be anticipated as a result of that important document. I recognise that, as do all those who currently work at HMS Gannet. The reason why I stand here tonight is that I strongly suspect why decisions are being made, behind closed doors and without ministerial authority, that have less to do with the strategic defence review than with the Royal Navy's overall budget position.

I believe that options are being considered that are different from the previously published intentions, which are public knowledge. They will be based not on what has been announced as part of the SDR, but purely on saving money. In the event of any doubt, I wish to make it clear that HMS Gannet is not expendable as an in-year savings measure, and I hope that my hon. Friend the Minister agrees. If I have anything to do with it, HMS Gannet will not go quietly or unnoticed.

My hon. Friend will be aware that the base at HMS Gannet is well established and fulfils two main functions, the first of which is the defence of the Clyde. The base is there to defend Trident with eight aircraft that assist with anti-submarine warfare operations. Secondly, HMS Gannet fulfils a search and rescue function by utilising two Sea King helicopters. The service is highly prized in Scotland and has saved many lives.

The search and rescue facility covers an area from Fort William down the middle of the country, including the Lake district, and extends as far down as the Isle of Man. It may also go 200 miles west out to sea, and further if refuelling is possible.

The three nearest alternative search and rescue stations are Stornoway, which is contracted to the Coastguard, RAF Lossiemouth in Morayshire and RAF Boulmer, north of Newcastle. This year, HMS Gannet has already carried out 230 search and rescue jobs, which is more than last year's total of 222.

Medical evacuation duties can involve picking up medical emergencies from fishing boats and transporting them to hospital, and airlifting medical teams to the islands and transporting casualties back to hospitals on the mainland. The public in Scotland are familiar with the search and rescue team's duty of transporting car crash victims and pregnant women to hospitals in emergencies. The support of mountain rescue teams is another vital role for HMS Gannet's search and rescue facility.

HMS Gannet personnel were the first to attend the tragic recent air crash at Glasgow airport, and were on hand quickly to assist RAF Boulmer at last week's Dunbar crash. In the role of military search and rescue, HMS Gannet provides 24-hour cover at 15 minutes' notice during the day and 45 minutes' notice at night, although in practice the response times are shorter. Air ambulances do not have a rescue capability and must land only on approved landing sites, unlike HMS Gannet.

[Ms Sandra Osborne]

About 450 people work at HMS Gannet, of whom 305 are Royal Navy personnel made up of 45 officers and 260 other ranks. In addition, there are about 130 civilian personnel made up of civil servants, Ministry of Defence police and guards and locally employed contractors. HMS Gannet provides a parenting facility, not only for those who work there but for RAF staff who work at the air traffic control centre at Atlantic house, Prestwick. All those people live locally, send their children to local schools and contribute greatly to the Ayrshire economy.

If you are familiar with Ayrshire, Mr. Deputy Speaker, you will not be surprised to learn that 95 per cent. of Royal Navy personnel based at HMS Gannet volunteer to go there. It is an area with an extremely high quality of life, and there is a proud tradition among those from the Royal Navy who have served at Prestwick over the years, and many fond memories. It is regarded as a significant area for people who wish to be employed in the Fleet Air Arm base and it is the only one of its kind north of Somerset.

The site of HMS Gannet is leased from the adjacent Prestwick airport. Both are situated on the coast, with an outstanding view of the Isle of Arran. It has also provided welcome job opportunities for generations of local people, as well as contributing in many other positive ways to the local community.

For quite some time it was known that a review of the impact of the SDR on HMS Gannet was being carried out. In July 1998, I was informed that search and rescue would not be affected by any changes, and that the Sea King helicopters would be replaced by Merlin in 2002. I was also told that a detailed technical study was being carried out in relation to the anti-submarine helicopters which protect Faslane, including where they would be based. No decisions had been taken, and any changes would be several years further down the line and subject to ministerial approval. The options for best fulfilling the requirements endorsed by the SDR would be considered, and, although no decisions have been announced, one crucial factor was clear—the decision not to purchase any more Merlin helicopters was bound to affect HMS Gannet in some way.

The supporting essay of the SDR concerned with naval aviation in relation to helicopters states:

"The nature and scale of the submarine threat has changed since the end of the cold war with a corresponding change in the type of military response required. The Merlin helicopter remains a vital part of the Navy's future capability but we will be able to make a reduction in overall numbers compared to earlier plans. This means:

1 We will not procure further Merlin anti-submarine helicopters beyond the 44 already on order and

2 Some amendment to the previous Merlin deployment plan, for example, the Sea King MK 6 helicopters at RNAS Prestwick will not be replaced when they go out of service at a date yet to be decided."

I wonder whether Ministers were briefed that when, post-SDR, it was decided that a second batch of Merlin would not be bought, it would potentially lead to the closure of a base in Scotland and that there may no longer be a permanent presence to protect Trident on call at very short notice. I respectfully ask my hon. Friend to reconsider that.

However, paragraph 68 of the SDR concerning the operating posture of Trident states:

"current threat levels do not require large numbers of conventional forces permanently allocated to the protection of the deterrent. We will, however, ensure that we can restore a higher state of alert should this become necessary at any time".

I have already stated that I support the SDR. It is very welcome that threat levels have diminished to such an extent, and, as my hon. Friend will agree, we all look forward to the day when nuclear disarmament becomes a reality and we no longer have Trident on the Clyde.

I certainly agree, therefore, to the concept of reduced protection. The question is to what extent it should be reduced. Does my hon. Friend agree that it would be unthinkable, even in the present conditions of reduced threat, for there to be no effective defence of the Clyde? Will he recognise the concern that that would cause to people in the west of Scotland and elsewhere, including those who are opposed to Trident being based at Faslane but who would certainly wish to be confident that it is being properly protected? We are all aware that Trident can be inviolate only if we can be sure of its ability to go undetected. That requires the assistance of anti-submarine aircraft.

Will my hon. Friend confirm that, post-SDR, any decisions taken regarding the future of HMS Gannet will ensure that Trident can be deployed, as now, in complete safety?

To return to the review process of HMS Gannet, in about September 1998 the former Secretary of State for Defence was a welcome visitor to HMS Gannet when he presented the Wilkinson sword of peace to the squadron. At that time, the favoured option of Flag Officer, Naval Aviation, was that although all anti-submarine warfare aircraft would be based at royal naval air station Culdrose and that all future tasking would be met from there, search and rescue would be maintained at HMS Gannet with the presence of two Sea King aircraft, presumably to be replaced by Merlin in due course. What will happen when the Sea Kings go out of service in 2002? How will the search and rescue commitment be fulfilled, and what will replace Sea King?

Secondly, the defence of the Clyde would be fulfilled by detachments from Culdrose which would come up to the Clyde 10 times a year and receive infrastructure support from HMS Gannet. I am now aware, following my recent discussions with the trade union, that staff were informed that that was the preferred option, which would go to Ministers for approval.

By May of this year, however, I was still not aware of the outcome of the review, so I wrote to my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), the then Minister for the Armed Forces. We will all appreciate the uncertainty and worry caused to my constituents by the length of time that has been taken to carry out the review, with little or no definite information forthcoming with and with rumours abounding. My hon. Friend replied promptly and told me that the Navy was looking into the future provision of helicopter support in the Clyde area. He recognised my constituents' concerns about their future employment prospects and assured me that if any major changes were recommended as a result of the review they would be subject to full consultation in the normal manner and that all factors emerging from any consultation exercise would be taken into account.

Will my hon. Friend the Minister confirm that that remains the position? The current rumour is that other options are being considered that may differ from the previously published intention. Can he confirm that, at the very least, the option that I have outlined, which was published post-SDR, will be maintained, if there are to be any changes at all? Will he confirm whether any significant changes or alternative proposals are being investigated?

As well as the two main functions at HMS Gannet, there are various subsidiary but important aspects to the work of the base. It has a meteorological reporting station and is a nuclear-audited communications site, an alternative command and control centre for the Flag Officer, Scotland, a defence communications infrastructure site, a sea cadet school and a parent base for RAF personnel. Will my hon. Friend confirm that all those factors have been taken into account in the appraisal of options? He may not be surprised to learn that I have had some difficulty in accessing information about what is happening at HMS Gannet. Although Commander McNair and his predecessor, Commander Issit, have, as he would expect, treated me with great courtesy, neither has been in a position to inform me of anything I did not already know.

My hon. Friend will also acknowledge that the civilian staff and the trade union that represents them are concerned to get some definite information as soon as possible. Like any trade unionists worth their salt, the representatives of the Public and Commercial Services Union keep their ear close to the ground and are very much aware of the various possible options that have been considered. They have also noticed a fairly obvious rundown of the site. No building or maintenance work to speak of is taking place and civil servants are leaving as a result of the uncertainty. They are being replaced by people on fixed-term contracts.

The Commander-in-Chief, Fleet is sending someone up on 30 November to discuss the future with individuals. Obviously people are asking themselves, "If no decisions have been taken regarding the future of HMS Gannet, why is it being run down?"—and I am asking myself the same question. I refer my hon. Friend to paragraph 193 of the SDR, on the impact on employment, and ask him whether he feels that the way staff are being treated is consistent with it.

Finally, I come to the issue that concerns me most and which was one of the main reasons for initiating the debate. The Friday before last, a visiting naval officer provided certain naval personnel with an informal, almost off-the-cuff briefing. He informed those present that HMS Gannet would not last until 2002 and that the green site would be bulldozed. My hon. Friend will understand in the light of that why I believe that the Royal Navy, without reference to Ministers, may be considering the option of total closure, including the search and rescue function. That cannot be put down to post-SDR requirements and would be totally unacceptable.

Closure of HMS Gannet would have a dramatic effect on the Ayrshire economy. As the 450-strong work force are mainly local, the loss of their spending power would equate to a further 40 lost jobs. Added to that would be the loss of services supplied by Ayrshire companies, estimated to be worth about £2 million per annum. Such a decision could lead to £15 million being withdrawn from the local and Ayrshire economies. A Government decision to close the Prestwick facility would undermine substantial efforts of other arms of the Government and their agencies.

The Prestwick area is a recognised national priority for Scottish Enterprise, and it will benefit substantially from recent Government policy decisions on the liberalisation of air cargo movements at Prestwick airport by the granting of fifth freedom and the improved road access that the M77 will bring. Any decision on jobs at Prestwick should be seen in the context of Government efforts to build on the potential of Prestwick, and in particular the work of the Prestwick task force, which was successfully led by my hon. Friend the Minister of State, Scotland Office, and the noble Lord MacDonald of Tradeston.

Will my hon. Friend reassure me by stating unequivocally that the proposition that HMS Gannet will be closed is totally without foundation? Will he come to HMS Gannet for a briefing on site to acquaint himself fully with the situation and meet the trade unions? Will he reiterate that any decision will be taken at ministerial level and in line with the requirements post-SDR, not with the internal budget or the internal politics of the Royal Navy?

I thank my hon. Friend for his attention, and I look forward to his reply.

11.16 pm

The Minister for the Armed Forces (Mr. John Spellar): I congratulate my hon. Friend on securing this debate on a subject that is understandably of great interest to her and her constituents, and in respect of which she is a robust champion, as she ably showed again tonight.

Before going on to talk about the future of HMS Gannet, to which my hon. Friend referred at the end of her remarks, I believe that it would first be appropriate to say a few words about the current role of that establishment, which is one of three royal naval air stations, the other two being at Yeovilton in Somerset and Culdrose in Cornwall.

The royal naval air station located at HMS Gannet in Prestwick is the home of 819 Naval Air Squadron. The squadron has been there since 1971, and has a long and happy association with the area, to which my hon. Friend rightly drew attention. The squadron are currently equipped with the Sea King Mark 6 helicopter, which is primarily used in an anti-submarine warfare role, and the Sea King Mark 5, which has a search and rescue function. The squadron's primary role is to provide anti-submarine warfare defence of the Clyde area, and in that it works very closely with the submarine base at Faslane.

The squadron also has a secondary but very important role in providing a peacetime search and rescue service across much of Scotland, northern England and sea areas out to the west. Indeed, 819 squadron has been conducting search and rescue operations from HMS Gannet since 1971.

Following my hon. Friend's favourable comments, I should like to pay tribute to all the members of the squadron who perform these vital duties with considerable professionalism and dedication, as we would expect. Over and above their military tasks, they have also shown an exceptional level of commitment to the local community through their support of local charities over the years. In recognition of their efforts, it was fitting that

[Mr. John Spellar]

819 squadron was awarded the Wilkinson sword of peace in 1997: an honour which they richly deserved, and which, as my hon. Friend rightly pointed out, was presented by the previous Secretary of State for Defence, now Lord Robertson.

HMS Gannet has a total work force of about 450, comprising service personnel, civil servants and contractors. The establishment occupies two sites: an operational site, where flying operations are conducted and technical support is provided, and a support site, which is for accommodation and administrative support.

As my hon. Friend said, we are considering the future of HMS Gannet following the strategic defence review. The SDR included a major examination of naval aviation, covering the use of aircraft carriers, fixed-wing aircraft and helicopters, and the future organisations and commands needed to ensure that we make the most operationally effective use of our aircraft. Naval aviation is flexible, adaptable and able to contribute to a wide range of operations. The SDR confirmed that naval aircraft and helicopters will continue to play a key role in the new strategic environment that has developed since the cold war.

The SDR also confirmed that the new and highly capable Merlin anti-submarine helicopter would remain a vital part of the Navy's future capability. But, given the shift from large-scale open-ocean warfare and the decline in the scale of the submarine threat since the end of the cold war, it also became apparent during the SDR that we no longer needed the numbers immediately planned, and that the 44 Merlins already on order would now be enough to meet the reduced scale of anti-submarine warfare operations expected in the foreseeable future.

Against that background, and in the wake of the SDR, the Royal Navy has rightly looked carefully at the future provision of helicopter support in the Clyde area to meet our anti-submarine warfare requirements and other military tasks, notably the search and rescue role. It has proved to be a highly complex review, embracing a wide range of operational, financial, support and personnel issues.

As part of the review, we have been considering what the future role and structure of HMS Gannet will be when the new Merlins come into operational service. We have already announced, as part of the SDR, that the Sea King Mark 6 helicopters based at RNAS Prestwick will not be replaced when they go out of service early in the new millennium. From that time, the essential task currently carried out by Sea King Mark 6 will be performed by Merlins earmarked from other areas. As a result, HMS Gannet will be maintained, but will become a forward operating base for anti-submarine warfare operations, with aircraft deploying there for short periods as and when required.

I assure my hon. Friend that we will provide—as we obviously should—the necessary protection for our Trident submarine fleet. I also assure her that HMS Gannet will continue its vital search and rescue rule, with two Sea King Mark 5 helicopters based there for the foreseeable future. I thank her for her praise for the valued work of that group, and I stress, for the avoidance of doubt, that the search and rescue Sea King Mark 5 will not go out of service in 2002.

In recent months, the Royal Navy has been considering how to implement these complex changes, and what they mean for the future role, size and structure of HMS Gannet. A key element of that is ensuring the best possible use of the capabilities of the new Merlin helicopter, which is significantly more versatile than the generation of helicopters that it will replace, and which constitutes a quantum leap in terms of technology, operability and capability. It is vital that we exploit Merlin's extensive capabilities to the full, and to that end we must be sure that the decisions that we make now about its future basing, support and deployment are right.

The issue is not simple. Military helicopters are complex pieces of fighting equipment, and the operations that they carry out are complex. The way in which they conduct such operations from the west of Scotland in future deserves, and is receiving, careful consideration.

We are examining a range of options to ensure that in future our forces will be able to meet anti-submarine warfare and other military requirements in the Clyde area as effectively as possible. That will inevitably take time, not least because the Merlin helicopter is a brand new aircraft. Deliveries to the Royal Navy have begun, but the Merlin is not yet in operational service. The full extent of its potential is being evaluated. Detailed concepts of operations, to take full advantage of the abilities of this sophisticated aircraft, are still being developed; but, as my hon. Friend rightly says, the protection of the Clyde and the submarine base at Faslane should not be put at risk.

I fully understand the concerns my hon. Friend's constituents, which she has rightly raised, about their future employment prospects at HMS Gannet and the uncertainty that they are undergoing. We regret that we will not be able to end that uncertainty tonight, but I assure the House that the process is drawing to a close. I expect to receive proposals on the way forward shortly, enabling me to write to her and to initiate formal consultation early in the new year.

I recognise that the work that has to be undertaken to ensure that we get the right result can cause a period of concern and uncertainty not only at HMS Gannet, but at several other establishments. At the same time, we are trying not to extend that too far and we undertake full consultation with the work force after we have come to the initial proposals.

Furthermore, HMS Gannet will continue in its present role until 2002 and, thereafter, will continue to have an important role in the key search and rescue task that is carried out in west Scotland. Obviously, I cannot pretend that there will be no impact on people who work at HMS Gannet. After all, we are looking at a different way in which to conduct anti-submarine warfare operations. Until the current work is complete, I am not able to say exactly what the impact will be on the whole work force at HMS Gannet—obviously, with a knock-on effect on the local community. However, I hope to be able to do so very soon.

As I have said, before we can put forward firm proposals, we must be sure that we have it right. Our proposed way forward not only makes sense from an operational view—vital and significant as that is—but takes account of the many other factors, not least cost considerations, which have to be borne in mind as we look at achieving best value from our resources in the defence sector, and at the impact on service people and civilians alike.

The strategic defence review set out clear principles for the future operation and development of naval aviation. We are following those principles and have made real progress in implementing SDR decisions. The joint helicopter command is now a fact. Joint Force 2000 is progressing well. Our review of anti-submarine requirements in the Clyde area is nearing completion. We must ensure that we provide effective military anti-submarine warfare and make full use of the tremendous potential of the Merlin helicopter.

I am conscious of the need to take into account the impact of our decisions on those who work for us in and around HMS Gannet, whose case my hon. Friend ably presented. I am fully committed to the consultative process to ensure that her constituents' views and concerns will be recognised and understood.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Eleven o'clock.

House of Commons

Wednesday 24 November 1999

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

WAYS AND MEANS

SESSIONAL RETURNS

Ordered,

That returns be laid before the House for Session 1998-99 of information and statistics relating to—

(1) Business of the House;

(2) Closure of Debate, Proposal of Question and Allocation of time (including Programme Motions);

(3) Sittings of the House;

(4) Private Bills and Private Business;

(5) Public Bills;

(6) Delegated Legislation and Deregulation Orders;

(7) European Legislation, etc;

(8) Grand Committees;

(9) Chairmen's Panel; and

(10) Select Committees.—*[The First Deputy Chairman of Ways and Means.]*

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Cancer Services

1. **Ms Sally Keeble** (Northampton, North): What proposals he has for improvement in provision for cancer treatment in the health service in Northern Ireland. [98764]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. George Howarth): I am pleased to say that work on the development of five cancer units and regional cancer centres is under way. In addition, the international memorandum of understanding between Northern Ireland, the Republic of Ireland and the National Cancer Institute in Washington, which was signed in October, will lead to joint research and clinical trials.

Ms Keeble: I thank my hon. Friend for that answer. What steps is he taking to increase prevention of cancer, particularly given the higher mortality rates for women with cancer in Northern Ireland? In particular, what is he doing to address the needs of such women?

Mr. Howarth: Significant progress has already been made in meeting the cancer targets for lung cancer in men and for breast cancer and cervical cancer that were set out in the Department's regional strategy. For example, the incidence of cervical cancer in women aged over 20 has fallen by 20 per cent. since 1989 and the death rate from breast cancer among women under 70 has fallen by 22 per cent. since 1990. However, we are not complacent. We recognise that more needs to be done and, especially through public health campaigns, we hope to make even better progress in future.

Mr. Lembit Öpik (Montgomeryshire): Cancer kills more people in the Province every year than have been killed in the troubles in the past 30 years. We share the Ulster Cancer Foundation's concern that the remit of the national cancer director, Professor Mike Richards, applies only to England and Wales. Will the Minister consider extending that remit to Northern Ireland, or is another appointment planned? How much of the £80 million that has been allocated for cancer prevention will go to the Province?

Mr. Howarth: There are no plans to appoint a cancer director in Northern Ireland. However, my Department will keep in close touch with initiatives to improve cancer services in England and Wales. We are certainly always willing to learn lessons from experience elsewhere.

Significant additional resources will be provided next year to implement further the recommendations of the Campbell report. On implementation, we expect the report to reduce the number of deaths by 20 per cent., and the new opportunities fund is providing a further £6.75 million for cancer treatment and services.

Rev. Martin Smyth (Belfast, South): We appreciate the developments, but are any plans being made to improve the day-service facilities for chemotherapy and quality testing at Belfast City hospital? Quality testing is required to achieve good outcomes. Will more nurses be trained and recruited for cancer care?

Mr. Howarth: In respect of the particular hospital that the hon. Gentleman mentioned, he will know that considerable consultation has taken place about hospital services and acute hospital services. Within that, we shall consider how and where services are distributed. The same point applies to testing. Obviously, there are places where that needs to be done. One matter that we are considering is whether we can obtain good and accurate information when review appointments may be carried out in different places and through telemedicine links.

The hon. Gentleman will be aware that I am very supportive of more high-level training for nurses. That applies equally to cancer and other services. Nurses have a bigger role to play, and it is one that we wish to encourage.

Mr. John Bercow (Buckingham): I warmly congratulate the Minister on his new appointment and wish him well in his responsibilities.

Does the hon. Gentleman stand by the pledge made in a ministerial letter from the Department of Health to Dr. John Chisholm of the British Medical Association, stating that patients will continue to receive the investigations, drugs and treatments that they need?

If he does, will he take the opportunity to confirm that, wherever a drug is judged to be clinically appropriate, it will invariably be prescribed?

Mr. Howarth: A great deal of advice is taken about, and given on, prescribing. When certain prescribing is deemed to be appropriate and all the advice suggests that it is an appropriate procedure, the Department of Health in England and Wales, no less than in Northern Ireland, take that advice seriously. The undertaking that the hon. Gentleman seeks is implicit in everything that we do.

Employment

2. **Ms Rosie Winterton** (Doncaster, Central): If he will make a statement on employment prospects in Northern Ireland. [98765]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. John McFall): The Government do not produce employment forecasts for Northern Ireland. However, the economy performed well throughout the 1990s—indeed, better than the majority of other United Kingdom regions. Over the past year, employment increased by 1.2 per cent. and now stands at almost 614,000. Unofficial surveys suggest, on balance, that there will be continuing growth.

Ms Winterton: Does my hon. Friend agree that one of the keys to improving employment prospects in Northern Ireland is to secure inward investment? To do that, it is necessary to reassure potential inward investors about the prospects for a peaceful environment. What steps is he taking to give those reassurances to such investors?

Mr. McFall: I can tell my hon. Friend that, only this morning, I returned from a visit to North America, where I talked to business leaders in Canada and the United States. Yesterday, I had the opportunity in New York to talk to more than 150 top Irish business leaders, who told me that peace and economic stability go hand in hand. They are looking forward to next week with relish, and also to ensuring further investment from the United States. Thirteen new projects from the United States have been secured in the past year, involving more than 2,000 jobs.

Mr. Peter Viggers (Gosport): Employment prospects at Harland and Wolff depend critically on winning further orders, including those from the Ministry of Defence. Will the Minister confirm that he is in touch with the yard and will do all that he can to assist it in winning further orders, including MOD orders?

Mr. McFall: Over the past few weeks, I have had numerous meetings with management at the yard, including Fred Olsen and others. We take the matter very seriously. As the hon. Gentleman will know, an agreement was undertaken only last week between Global Marine and Harland and Wolff. Part of that package is money to secure further orders. The Government are committed to employment in Northern Ireland, particularly at Harland and Wolff.

Mrs. Louise Ellman (Liverpool, Riverside): Will my hon. Friend support the work of the north-west England and Irish trade group, which brings together the private sectors in the Republic of Ireland, Northern Ireland and the north-west, working with the north-west development agency and the Bank of England? Is he aware that that group is identifying opportunities for investment and employment in all those areas?

Mr. McFall: Yes, I am aware of that. It is very important that the east-west relationship is developed—contact between economic development bodies in England, Scotland, Wales, Northern Ireland and the Republic of Ireland is very important. Only two weeks ago, I attended the Five Nations conference in Dublin to consider such issues.

Terrorist Violence

3. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on current levels of terrorist violence in Northern Ireland. [98766]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): There is a very real and dangerous threat from dissident loyalist and republican terrorist groups. However, the security situation has been transformed over the past year, with a significant reduction in terrorist-related crimes. That is due in large measure to the efforts of the Garda Siochana and the Royal Ulster Constabulary, with the support of the Army. I am sure that the whole House will join me in paying fulsome tribute to the RUC, which was awarded the George Cross yesterday. It is a truly deserved honour.

Mr. Paterson: That statement contrasts with information that I was given this morning by the Northern Ireland human rights bureau, which told me that, since the Good Friday agreement, terrorist organisations have been responsible for 11 murders, 141 shootings, 914 people being driven into exile and the rehousing of 1,634 families. Given that, and the Minister's comment on the RUC, does he agree that it is totally inappropriate to bring about radical changes in the policing of Northern Ireland?

Mr. Ingram: I will not trade statistics with the hon. Gentleman. I trust the statistics on terrorist-related crimes that I am able to make available to him and the rest of the House. I suggest that he seeks his advice from myself as Minister, although I will write to him anyway to update him on the statistics.

The question of the future of policing was implicit in the Good Friday agreement; it was what the parties signed up to. We are, of course, consulting on the way forward.

Mr. Tony Lloyd (Manchester, Central): Does my right hon. Friend accept that no hon. Member—nor anyone whom we represent—is unaffected by terrorism? It has been three and a half years since Manchester suffered the last bombing outrage in Britain. Does he agree that the present climate of peace has not only seen the rebuilding of Manchester city centre, which is to be reopened to the public tonight, but has created the conditions in which investment may be made not just in Britain and Northern Ireland, but throughout Ireland—something good for everyone?

Mr. Ingram: My hon. Friend makes his points clearly and directly. Terrorist violence has affected not only

Northern Ireland but too many communities in the rest of the United Kingdom. It is good to see that the city fathers and citizens of Manchester have been able to pick themselves up and move forward. I agree with his sentiments that the best way of consolidating economic development in Northern Ireland and elsewhere in the United Kingdom is a peaceful future for all our citizens.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Does the Minister agree that the award of the George Cross to the RUC is almost unique, as only one comparable award has been made, and that it is well deserved? Those are the people who, over the past few months, have dealt effectively and efficiently with loyalist terrorism, and we congratulate them—as I am sure that the Minister will. I also congratulate the Garda Siochana on its successes against dissident republican terrorists.

Did the right hon. Gentleman note yesterday's statement by the Taoiseach, Mr. Ahern, who said that he would pursue within his jurisdiction any terrorists who operate there or seek to operate across the frontier into Northern Ireland—and that, where possible, he would seize their assets and property? Is it not time that our Government considered similar means of ensuring that terrorists are hindered in every possible manner?

Mr. Ingram: The hon. Gentleman is a staunch defender of the RUC, and his knowledge is based on personal experience over the many years that he has been associated with it. Coming from Northern Ireland, he knows only too well the importance of the RUC in maintaining as peaceful an environment as we have been able to achieve over the past 30 years. It has made a magnificent contribution, which is why the George Cross was awarded.

As for the way forward, of course we note what the Taoiseach said and also the good and close co-operation between the Garda Siochana and the RUC, which is being built on all the time. That is one of the most effective ways in which to deal with terrorism wherever it exists within these islands. As regards the seizure of assets, I suggest that the hon. Gentleman awaits the publication of the new Bill that will deal with UK-wide issues of terrorism.

Caroline Flint (Don Valley): In awarding the George medal to the RUC—[Hon. Members: "George Cross."] Does my right hon. Friend agree that, in awarding the George Cross, we should remember also the civilian employees when, and the families of the officers who have died or been injured? Does he also agree that the RUC has an important role to play in future, with a changing police service and a changing and more peaceful community?

Mr. Ingram: The very significant award announced yesterday was, of course, for the whole of the RUC family—for the many who have suffered, as well as those who continue to serve and will no doubt do so in the years ahead. Yes, there is a need for a new policing approach in Northern Ireland. That was considered in the Good Friday agreement, and we are thinking about the idea and the possibility of taking it forward. The role of the present officers has been recognised and many of them will continue to give good service to all the people of Northern Ireland.

Mr. John M. Taylor (Solihull): Does the Minister agree that the full implementation of the Belfast agreement requires an end to violence in all its forms, including paramilitary beatings, shootings and murders? The condemnation of punishment beatings by Sinn Fein in its statement last week was welcome, but will the right hon. Gentleman reiterate that it is now essential that words of condemnation be matched by a complete cessation of those barbaric acts by both sides?

Mr. Ingram: There can be only one answer to that, and it is yes.

Peace Process

4. **Dr. Nick Palmer** (Broxtowe): If he will make a statement on progress in the peace process. [98767]

The Secretary of State for Northern Ireland (Mr. Peter Mandelson): As I informed the House on Monday, Senator Mitchell has now completed his review of the implementation of the agreement. Following his concluding statement, and those of the political parties and others, I have announced my intention to call a meeting of the Assembly on Monday to nominate Ministers. Parliament will then be invited to approve the legislation necessary for powers to be devolved on Thursday 2 December.

Dr. Palmer: I am grateful to my right hon. Friend for his comments on progress. We are all aware that there are extreme groups that will attempt to sabotage the process by acts of violence. Does he agree that, regardless of what outrages they commit or seek to commit, he will continue with the process undeterred, and that they are wasting their time?

Mr. Mandelson: I readily give my hon. Friend that categorical assurance. We shall not allow any threat coming from any quarter to drive out the very real prospect of success that is now before us. It is the prospect that, for the first time in a quarter of a century, Northern Ireland will see its representatives—its politicians—running its local affairs; local people deciding how the local health service will be run; local people deciding the future of education; and local people in charge of the local economy encouraging local jobs. For so long, that has been only the remotest of remote possibilities. However, next week in Northern Ireland, that dream could very well become a reality. Next week, direct rule could end. Nothing should be done by anyone in any quarter to impede that happening.

Mr. David Trimble (Upper Bann): Can the Secretary of State confirm that the decommissioning of paramilitary weapons remains a priority for the Government, as it does for us, unlike the party led by the hon. Member for North Antrim (Rev. Ian Paisley), which has declared that it is no longer a priority for it?

Will the right hon. Gentleman welcome the decision of the Democratic Unionist party to take up its seats in the inclusive Executive, whose formation the hon. Member for North Antrim has foreshadowed? Will he point out to the DUP that that inclusive arrangement—having been approved by the overwhelming majority of the people of Northern Ireland in a referendum and endorsed clearly in the Assembly elections

last year, with the parties which support the arrangement being returned with an overwhelming majority—cannot be described as undemocratic?

Mr. Mandelson: I entirely agree with the right hon. Gentleman. People in Northern Ireland have shown again and again that they want the Good Friday agreement to be fully implemented. As for others who have done nothing and contributed not a jot to the successful negotiations that the right hon. Gentleman has led, I find it extraordinary that, against that background, and having experienced none of the political pain that the negotiations have generated, they are none the less prepared to take up their seats in the newly formed Executive, as they have announced this week. In spite of themselves, they seem prepared to make the thing work and to give it a go. Their hypocrisy is breathtaking.

Dr. Norman A. Godman (Greenock and Inverclyde): I agree with the right hon. Member for Upper Bann (Mr. Trimble) when he stresses the critical importance of decommissioning. I have long argued for a timetable for that.

Does my right hon. Friend agree that Unionist politicians and their constituents have already gained a great deal and will obtain a great deal more from the Good Friday agreement? There is comparative peace on the streets, a devolved Assembly is waiting to be set up, and, next week, the Dail will irrevocably amend articles 2 and 3 of the Irish constitution. Nationalists in the north now recognise that they must take a leaf out of the Scottish secessionist book by playing the long game. They have everything to gain by going along with the agreement.

Mr. Mandelson: I share my hon. Friend's views. Every person in each community in Northern Ireland stands to gain from the implementation of the Mitchell deal. What Unionists in Northern Ireland can point to as their achievement is the return of self-government, the repeal of the south's territorial claim on the north, the ending of the Anglo-Irish Agreement, republican acceptance that decommissioning is essential and a start to discussions about how and when that decommissioning can take place. Those are considerable gains for Unionists in Northern Ireland. They have been achieved as a result of the tough and tenacious negotiating skill shown by the right hon. Member for Upper Bann (Mr. Trimble). I hope that these gains will bear heavily on those who will be voting in the Ulster Unionist council on Saturday.

Mr. Peter Robinson (Belfast, East): Will the Secretary of State tell the right hon. Member for Upper Bann (Mr. Trimble) that, although he may want to change his words, he will not change mine, and that there is a distinct difference between something being a priority and something being the main priority?

Will there be a default mechanism if the Sinn Fein-IRA organisation does not fulfil what the Secretary of State believes to be its commitments? He said that, in those circumstances, the institutions set up under the Belfast agreement would be suspended. Will he tell the House whether he is also prepared to suspend the operation of the Patten commission report and the early release of terrorist prisoners?

Mr. Mandelson: What I can tell the hon. Gentleman is that it is not only I, on behalf of the British Government, who gave that undertaking about the default mechanism: yesterday in the Dail, the Taoiseach added his words to what I said on Monday. He said that any failure to implement the Good Friday agreement would force the Irish and British Governments

"to step in and assume their responsibilities, including through appropriate suspension arrangements"

for institutions set up under the agreement.

The default mechanism could not be clearer, both from me and from the Taoiseach.

Mr. Andrew MacKay (Bracknell): The Secretary of State will be all too aware that policing plays a vital role in the peace process. The Opposition are delighted that the RUC has received the award of a George Cross. Does the Secretary of State agree that it is deserved because of the RUC's courage and even-handed professionalism over the past 30 years of troubles? The RUC has been a thin green line between the Province falling into anarchy and the rule of law.

Mr. Mandelson: I am keen to echo the right hon. Gentleman's remarks. I associate that commendation with the Army and the intelligence services in Northern Ireland which, together with the RUC, have maintained security in the Province.

When people look back at my record as Secretary of State for Northern Ireland, I hope that they will acknowledge not only my desire to honour the RUC's sacrifice and courage, but the fact that I have brought about necessary change and reform with the utmost sensitivity. I hope that they will recognise, too, that, through those reforms, we will have made possible acceptance of policing across communities, which has not been possible for the past 30 years.

Mr. MacKay: The Secretary of State will be aware that we support many of the Patten recommendations, but we share the concerns of those who object to changes in the cap badge insignia and the name of the force. Will the right hon. Gentleman think again about changing the cap badge, which is a uniquely cross-tradition insignia? May I also ask him to find a way of compromising on the name of the force? For instance, it could be the RUC Northern Ireland police service.

Mr. Mandelson: I listened to what the right hon. Gentleman said. I am receiving many submissions and undertaking numerous meetings during consultations on the Patten report. As I said, I want people to feel and to acknowledge that, in any changes that we make, we will have decided on them and carried them out with the utmost sensitivity to the very real emotions and feelings of people in both communities in Northern Ireland.

Royal Ulster Constabulary

5. **Mr. Andrew Robathan** (Blaby): What recent assessment he has made of the reasons preventing Roman Catholics from joining the RUC. [98768]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): There are many complex reasons preventing greater numbers of Roman Catholics from joining the RUC. Fear of intimidation and loss of

connection with family and friends are important factors. Lack of identification with the police and lack of active encouragement from community leaders have also been important. The Government's aim remains a police service which is representative of the community in Northern Ireland.

Mr. Robathan: We would all like to see a police service represent the community in Northern Ireland. However, is not the Minister's answer slightly disingenuous, when his own Ministry reported in April last year that fear of intimidation among Catholics was the major reason for not joining the RUC, and the Patten commission also said that 70 per cent. of Roman Catholics had said that that was their major reason for not thinking of joining the RUC?

Therefore, what justification can the Minister find for taking on board the Patten recommendations on changing the name, the cap star and the oath, when those are not the reasons why Catholics are not joining the RUC? Does he understand the real anguish that such changes will cause to members of the RUC, not to mention widows and families who have been bereaved?

Mr. Ingram: My right hon. Friend the Secretary of State has made clear the Government's intentions. I am sorry if the hon. Gentleman thinks that I was disingenuous in my earlier answer—I was simply trying to point out that there were reasons other than the one that he recounted. It behoves the Government to consider all those issues and to try to find answers to them.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [98794] **Mr. Phil Willis** (Harrogate and Knaresborough): If he will list his official engagements for Wednesday 24 November.

The Prime Minister (Mr. Tony Blair): This morning, I attended a meeting of the parliamentary Labour party and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Willis: On behalf of the Liberal Democrats, I congratulate the Prime Minister and his wife on the fact that they are expecting their fourth child. *[Interruption.]* My colleagues will perform in good time. I am sure that the Prime Minister would agree that the finest gift that we could give any child is a quality education, and that that depends on quality teachers who are well motivated and well paid. Therefore, how can the Government break their promise to provide £1 billion for the teacher pay reforms by slicing £430 million off school budgets? Is not that a case of making one teacher's pay rise depend on another teacher losing his or her job?

The Prime Minister: First, I thank the hon. Gentleman for his congratulations. I certainly did not intend to start a trend.

The hon. Gentleman might have acknowledged the fact that, owing to the Government's policy, we have reduced infant class sizes in his constituency. At the beginning of the year, 18 per cent. were in classes of more than 30 and that figure is now 7 per cent. and falling. I assure the hon. Gentleman that the extra £1 billion for performance-related pay will not come at the expense of teachers' jobs or support for schools. Not only next year's settlement but that for the year after that and the year after that are the most generous education settlements over a three-year period that Britain has seen.

Q2. [98796] **Mr. Bill Rammell** (Harlow): Does the Prime Minister agree that the deal struck with the French Government last night brings the lifting of the beef ban ever closer? Is it not only because of our membership of the European Union that we are able to progress this issue? Is it not also the case that, had we followed the advice of the Leader of the Opposition and launched an all-out trade war against France, the only losers would have been British exports and British jobs? Does the issue not demonstrate more clearly than anything that the Leader of the Opposition's judgment on getting the best for Britain in Europe is as flawed as it was when he endorsed Jeffrey Archer as Conservative candidate for mayor of London?

The Prime Minister: It is not the hopeless misjudgments of the Leader of the Opposition over the Conservative party that should worry people; it is his misjudgment over Bank of England independence, scrapping the working families tax credit and the new deal, which has halved youth unemployment, and starting an illegal trade war with the rest of Europe that would have put thousands of jobs at risk. As Leader of the Opposition he may be a joke, but as Prime Minister he would be a disaster.

Mr. William Hague (Richmond, Yorks): At least my jokes are read out; the Prime Minister's jokes are all in the Cabinet.

For once, I begin with congratulations—I congratulate the Prime Minister and his wife on their happy family news. In future, when the Prime Minister hears the sound of crying in the next room, it will not be the Chancellor wishing that he had his job.

The Prime Minister and the Chancellor have stated in the House in the past two weeks that the tax burden is falling. Now that the Office for National Statistics has joined a long list of organisations in showing that the opposite is true, who agrees with the Prime Minister that the tax burden is falling?

The Prime Minister: First, I thank the right hon. Gentleman for his congratulations. Secondly, the answer is in the figures that we have published, which were, of course, checked by the National Audit Office. The Treasury public borrowing requirement basis shows that, next year, the tax burden is falling. It is true that, in our first two years, we had to sort out the appalling burden of debt that we inherited from the Conservatives. However, the statistics mentioned are not the only ones available. When the right hon. Gentleman was a member of the Cabinet, the Conservatives published their plans before

the last election. Those plans suggest that the tax burden would have been greater under the Conservatives than it is under Labour.

Mr. Hague: The Prime Minister veers between boasting that he has increased taxes and claiming that he is reducing them. No independent organisation agrees with him that taxes are being reduced; every independent organisation says that the tax burden is increasing. Let us consider the latest figures from the Office for National Statistics. They take every quarter of 1997 after the last general election. Do they show the burden going down or up? The answer is up. They take every quarter of 1998—does the tax burden go down or up? The answer is up. They examine every quarter of 1999 so far, and again they show the tax burden increasing. They take a forecast for next year—does that show the tax burden going down or up? Yet again, the answer is up. If the right hon. Gentleman believes that taxes are falling, with which of those Office for National Statistics figures does he disagree?

The Prime Minister: That is simply not right. *[Interruption.]* The Opposition can have the facts or not, as they wish. It has been shown—and not only on the basis set out in our report—that the tax burden is falling. The only basis on which taxes can be seen to rise is if the working families tax credit is not considered to be a tax cut. If the working families tax credit is considered to be a tax cut—as it is, in exactly the same way as the Conservatives treated mortgage tax relief—the tax burden is falling.

Mr. Hague: Why does no independent analyst in the world agree with the Prime Minister? Everyone else who considers those figures says that he is increasing taxes. If he will not believe his own Office for National Statistics, what about the Organisation for Economic Co-operation and Development, which showed earlier this month that Britain has the fastest-rising tax burden in the advanced industrial world? Is it not time that he stopped saying, "We are cutting taxes", when that is not true?

The Prime Minister: It is true, for the reasons that I gave. As the income tax cut is introduced next year—the 10p tax rate and the cuts in corporation tax—it is clear, as the figures show, that the tax burden is falling. I repeat that one can only show otherwise by not treating the working families tax credit as a tax cut. It is a tax cut, in exactly the same way as the Conservatives treated mortgage tax relief as a tax cut.

I have said that, in our first two years, we had to get rid of a £28 billion borrowing requirement and a national debt that had doubled. As a result of sorting out the fiscal position, we have had the most successful set of economic forecasts that this country has seen for years. If we followed the right hon. Gentleman's proposal, we would return to the boom-and-bust economics of years ago—*[Interruption.]* That is absolutely right. The only alternative would be swingeing cuts in schools, hospitals, police and transport. The past few months have shown that the Labour party is the party of economic competence; the Conservative party would return us to boom and bust.

Mr. Hague: The Prime Minister becomes less and less coherent on this subject. He says that it is impossible to reduce taxation while increasing spending on health and education, but claims to be doing just that at the moment. Can he not understand that the experience of increased taxation is a matter not only of statistics but of the daily experience of people who pay for their petrol and their pensions and have a marriage and a mortgage? The British Chambers of Commerce says that we are more heavily taxed than two years ago. The Confederation of British Industry says that cuts in taxation are trivial by comparison with the increases. The Treasury Committee, which has a Labour majority, says that the tax burden will increase during the current financial year. Why does he not stop saying, "We are cutting taxes," when he is actually increasing them?

The Prime Minister: That is wrong, for the reason that I have given—the tax burden is falling next year. The country has a simple choice. If the right hon. Gentleman is saying that he will slash everyone's taxes at the same time as he will increase everyone's spending—what I call "Haguenomics"—that simply will not work. If we did that, we would be back to where the previous Conservative Government put us in the late 1980s and early 1990s, when interest rates—which he has not mentioned—were at 10 per cent. for four years, when thousands of businesses went bankrupt, when we lost more than 1 million manufacturing jobs and when this country ended up having to cut essential public services because we could not pay our way. This Government have got inflation under control and interest rates down. We have managed to put more money into public services and living standards are increasing by more than 3 per cent. this year. That is a record of economic competence, not the Conservative policy of economic ruin.

Mr. Hague: The Prime Minister talks about what we are trying to do. All we are trying to do is get a truthful answer out of him. Now he says he is cutting taxes, and he says he is right, but he also says that the Office for National Statistics, the OECD, the British Chambers of Commerce, the CBI, the Institute of Directors and the House of Commons Library are all wrong. Is it not the case that his willingness to answer questions and face up to the facts is falling, as is the chance of him giving a straight answer, but that the tax burden is definitely rising?

The Prime Minister: I have already pointed out to the right hon. Gentleman why the figures that he has given me are simply wrong. Next year, the tax burden, as I have said, is falling. The tax burden is not merely falling; we have managed not only to introduce a 10p starting rate of tax, but to put a direct income tax in place next year. As a result of what we have done in running the economy, we are able to get the extra money into the public services that the country needs. If the right hon. Gentleman wants to take all that money away, and if he wants to return to saying that all that is reckless and irresponsible, let him get up and say so. I believe that our spending policies are right. They are exactly right—not a penny more, not a penny less.

Mr. Bernie Grant (Tottenham): Has my right hon. Friend had the opportunity to see the recent Channel 4 documentaries on slavery, in which it was stated that one in five white people in Britain have the blood of African

slaves running through their veins? Similarly, people from the Caribbean have white blood running through their veins. I do not want to worry him, but my mother's maiden name was Blair. Perhaps I should refer to him as my right honourable relative.

My question relates to the past 1,000 years, 400 of which were taken up by enslavement and 200 by colonisation. There has been no acknowledgement of the contribution made to the wealth of Britain, Europe and America by millions of African people. The Guildhall and other places in London have monuments to the slavers, not the enslaved. Will my right hon. Friend set the historic record straight? Will he apologise to people of African origin, living and dead, for the part that Britain played in the transatlantic slave trade?

The Prime Minister: I am happy to acknowledge the pain and suffering of people who were enslaved in times gone by. I was in Hull recently, in the constituency of the Deputy Prime Minister, which was once represented by William Wilberforce. Many radical politicians in this country fought against the slave trade. I should like in particular to acknowledge the massive contribution made by Afro-Caribbean and black people in this country today, and to say how much we value and treasure it. One of the great things that has happened in politics in the past few years is that every political party in this country is now committed to a multiracial, multicultural society. We owe an awful lot to the pain and suffering of those people who went before us.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): Which does the Prime Minister consider the voters of London will view as more offensive: the Conservatives' disgraced mayoral candidate or Labour's discredited selection system?

The Prime Minister: I am not sure that they would have anything to say about the Liberal Democrat candidate. The most important thing is that we focus on policy. The Labour party's policy for London is the right policy on transport, law and order, and business and development in the City. Those policies will win the election for Labour.

Mr. Kennedy: To win an election, a party must have a candidate, and only the Liberal Democrats have a candidate at the moment: an excellent one in Susan Kramer. Let us consider one of Susan Kramer's Liberal Democrat policies for London. Will the Prime Minister back off from his present plans for the future of the tube and embrace our proposals, because they have been assessed by outside bodies and would result in a net cut in the profits that big business would make under the Government's proposals of £150 per Londoner—per voter? Is not that a sensible policy, and why does he not embrace it?

The Prime Minister: In case the right hon. Gentleman had not noticed—I certainly had—Labour is undergoing a selection process. Let us have this argument about his policies for the tube. His policy is to leave the construction of the tube for the future in exactly the same hands as now. That is the wrong policy for London. Consider the Jubilee line: it has a £1.4 billion overrun and is almost two years late. The public sector should do what the public sector does best, which is the running of the underground and responsibility for safety and for the drivers. The construction work should be done on a public-private basis, because that will get the best value for the ratepayer and the taxpayer. If we get the best value, we get the tube completed on time and we get money into the tube. The Liberal Democrat proposals would land the ratepayers and taxpayers of London—and, indeed, elsewhere—with an almighty bill that they could not meet. In other words, it is typical Liberal Democrat policy.

Mr. Andrew Reed (Loughborough): As we head towards the new millennium, the Prime Minister can be justly proud of the advances that this country has made in cancelling the debts of the poorest countries in the world. However, will he use the last weeks of the millennium to make even further progress and achieve 100 per cent. cancelation of those debts, so that we can celebrate the new millennium by doing something of which we can all be proud?

The Prime Minister: We have said that we are working towards that; but the contribution to the problem worldwide made by us as a country, and by my right hon. Friends the Chancellor of the Exchequer and the Secretary of State for International Development, has been enormous. We as a country can be very proud of what Britain has done and stood up for in the past couple of years. The debts of a large number of countries will now be written off: I think that the total is some $100 billion, which is a tremendous contribution. Prudent finance is obviously important as well, but we will go as far as we possibly can. We can be proud of the fact that, as a result of an initiative developed by Britain, countries throughout the world will, for the first time, be relieved of an enormous burden of debt.

Q3. [98797] **Mr. David Rendel** (Newbury): The Prime Minister said in his last manifesto that, as he cut benefits, he would increase spending on education. He just told my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) that he considered this year's education settlement to be the best ever. Why, then—according to figures from the House of Commons Library—is the percentage of gross domestic product spent on education during the current Parliament expected to be less than it was in the last Parliament?

The Prime Minister: That is simply wrong, and I will explain why. *[Interruption.]* It is wrong, and, if the House will allow me, I will explain exactly why it is wrong.

At the end of the current Parliament, a higher proportion of national income will be spent on education than at the beginning. That is the pledge that we gave, and it is true. People are able to say that we have broken that pledge only because they are using a figure relating to 1994, when the Conservatives were in government. It is true that the figure was higher in 1994, but, for the following three years, the Conservatives cut it. When we compare the figure that we inherited in 1997 with the figure at the end of this Parliament, the latter figure is higher. What is more, the figure—£19 billion—is infinitely higher than any amount that the Liberal Democrats ever asked us to spend on education.

Thousands of schools throughout the country are receiving new deal money for school buildings and other purposes. That new deal money came from the windfall tax on utilities' excess profits. It was opposed by the Liberal Democrats, as were the measures relating to class sizes for five, six and seven-year-olds.

In each of those areas, we are spending more than the Liberal Democrats ever asked us to spend. It is simply not right to say that, at the end of the current Parliament, the proportion of national income spent on education will be smaller rather than greater. It will be greater, and it will represent another pledge delivered.

Ms Oona King (Bethnal Green and Bow): Given that the last time Russia waged war on Chechnya, between 1994 and 1996, 80,000 people died, and given that the Russian Prime Minister, Vladimir Putin, has declared that Chechnya must be eliminated, does my right hon. Friend agree that the west should be as proactive as possible? In particular, will he consider the possibility of linking the International Monetary Fund's multi-billion-dollar loan to Russia, which is going through at the moment, with an immediate and verified ceasefire in Chechnya?

The Prime Minister: My hon. Friend is right to say that we should do what is possible. I have been in touch with the Russian Prime Minister and the Russian President, and we have made it clear to the Russian Government that, although we recognise the genuine security threat faced by Russia, Russia's response must be proportionate and in accordance with international humanitarian obligations. We are also—both at European Union level and at the Organisation for Security and Co-operation in Europe summit—putting pressure on Russia to adopt a more humanitarian position in relation to Chechnya and, in particular, towards the refugees. We keep everything under review in considering what will produce the best results.

Q4. [98798] **Sir Peter Tapsell** (Louth and Horncastle): Will the Prime Minister explain why, when Germany has gold reserves of 3,400 tonnes, France has gold reserves of 3,000 tonnes and Italy has gold reserves of 2,400 tonnes, and each of those three countries has publicly pledged not to sell any of its official gold over the next five years, he and his Chancellor of the Exchequer have decided to reduce Britain's gold reserves to 300 tonnes? What are the reasons for that decision? The country deserves to be told.

The Prime Minister: The country has been told. The hon. Gentleman has been told a number of times. The Conservatives just do not like the explanation. First, in relation to the gold reserves, they will be 20 per cent. of our reserves. We have acted on advice throughout. We believe that it is entirely sensible to do what we are doing. We are not the only country round the world that has sold part of our gold reserves. We should have a balanced portfolio.

I understand most of the obsessions in the Conservative party and we get used to a new one being added from time to time. Quite what the Conservatives' obsession is with the issue of gold reserves, I confess I no longer know. All I can tell them is that there is no great sinister agenda here. We are acting on advice. We are doing what we believe to be the best thing for the country. It is what many other countries round the world are also doing.

Q5. [98799] **Mr. David Kidney** (Stafford): In Staffordshire, parents, pupils, governors and school staff have chosen this week to campaign about ending the unfairnesses in the way in which the Government fund education services. Does my right hon. Friend agree that they have chosen a fitting week to highlight education funding as, yesterday, the Government announced the biggest ever increase in funding for further education and they will soon announce, for the second year running, a huge real-terms increase in schools funding? Does he accept, however, that there is unfinished business in terms of fair funding? Will he promise that, when the working party that is looking into the question reports next year, the recommendations will be made public?

The Prime Minister: Yes, I can certainly say that, as a result of the extra money going into education, there will be a substantial increase—for example, a 6 per cent. increase in Staffordshire. That is on top of moneys that are already additional moneys going in. Also, further education and sixth form colleges are to get an extra £365 million in 2001–02. That will mean that there will be a 16 per cent. real-terms increase over the year 1998–99.

Of course, there is still an awful lot more that we need to do in our schools, but the one thing no one can doubt is that there is a very clear choice now between this Government, who are putting in more money in real terms over the next three years than any Government have ever put in by way of increases in education spending, and a Conservative party that describes such spending as reckless and irresponsible.

Q6. [98800] **Mrs. Cheryl Gillan** (Chesham and Amersham): At that Dispatch Box on 30 June last year, the then Secretary of State for Health gave the Government's guarantee to the people:

"As now, no one will be denied the drugs that they need. That is a guarantee."—[*Official Report*, 30 June 1998; Vol. 315, c. 143.]

I have here a list of my constituents with multiple sclerosis. Their consultant neurologist says that they need to have the drug beta interferon. They have been denied that drug on the ground of cost. Will the Prime Minister now, at that Dispatch Box, authorise the money for those patients in my constituency who need treating with beta interferon, or is that guarantee worthless?

The Prime Minister: No, it is not. I will take account of the words that the hon. Lady has just spoken in relation to her constituents and look into their cases for her. Let me just tell her in relation to extra spending on the health service—*[Interruption.]* I am sorry, but Conservative Members cannot have it both ways. They cannot say that, on the one hand, the spending that the Government have committed is reckless and irresponsible—*[Interruption.]*

Madam Speaker: Order.

The Prime Minister: They cannot say at one and the same time that the extra spending that we promised was reckless and irresponsible and that they want

more spending. They cannot in particular give the people—*[Interruption.]* They talk about guarantees. They are issuing a tax guarantee that they will cut everyone's taxes and they have also said that the extra spending is reckless and irresponsible. At some point, they will have to choose.

The Government have put more money not only into ordinary health service spending, but into every aspect of the health service. I tell the hon. Lady that, by the end of this Parliament, for the first time, health service spending will be more than 6 per cent. of national income. Spending would have been cut under the previous Government, whom she supported.

Q7. [98801] **Mr. Lindsay Hoyle** (Chorley): Will the Prime Minister reaffirm that the British people will make the decision on the future of the pound in a referendum? Is not that policy governed by common sense—unlike the policy of the Conservatives, which makes no sense?

The Prime Minister: That is absolutely right—the final decision will be taken by the British people in a referendum. Our policy on the euro—to have the test of economic conditions—is the sensible one. The Tory party's euro policy demonstrates its usual misjudgment—rule it out on principle, but only for five years. It is, as one might say, "a nightmare".

Orders of the Day

Debate on the Address

[Sixth Day]

Order read for resuming adjourned debate on Question [17 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.—[*Dr. Jack Cunningham.*]

Question again proposed.

The Economy

Madam Speaker: There will be a 15-minute limit on the speeches of Back Benchers who are called to speak in the debate. I have selected the amendment in the name of the Leader of the Opposition and, for the purpose of Division at 10 o'clock, that in the name of the leader of the Liberal Democrat party.

3.31 pm

Mr. Francis Maude (Horsham): I beg to move, as an amendment to the Address, at the end of the Question to add:

"But humbly regret that the Gracious Speech contains no proposals to reverse the policies that have given Britain a spiralling burden of taxation and a huge rise in burdens on business, that it contains no proposals to reverse the decline in Britain's productivity growth or the recent fall in Britain's international competitiveness, and that it does nothing to ensure that the public accounts are honest and open, nor to prevent the Government from saying one thing and doing another; and call on the Government instead to adopt policies which will engineer a return to the golden economic legacy of enterprise, dynamism and flexibility left by the previous Government."

I start by declaring my outside interests, which are registered in the—[*Interruption.*]

Madam Speaker: Order. Will hon. Members leaving the Chamber do so quietly, please? We are starting a most important debate.

Mr. Maude: To win the previous general election, Labour Members had to put to rest the distrust that people felt for them and that had kept them out of office for 18 years. They conducted a cynical and concerted campaign to allay the mistrust of taxpayers, business, savers and pensioners. They offered clear assurances on tax and regulation, but those assurances have been cynically broken. This Queen's Speech continues the betrayal.

Before the general election, the Prime Minister made a crucial pledge on tax. Labour knew that soliciting the British public's trust on tax was perhaps the single most important thing that it had to do. Therefore, the Prime Minister declared, hand on heart, that Labour had

"no plans to increase tax at all".

The declaration was not even tucked away—there it was, front-page news, in a newspaper of record. It was no accident or slip of tongue. It was never retracted and never rebutted, but it was not true. It was the first example of the great Labour lie, and still the Government do it; still they say that tax has fallen when it is rising. We know that tax is up by £40 billion. Now, the Office for National Statistics itself shows that tax has risen in each and every quarter since the Government came to power.

Mr. Lindsay Hoyle (Chorley) *rose—*

Mr. Barry Jones (Alyn and Deeside): Will the right hon. Gentleman give way?

Mr. Maude: I shall give way in a moment.

There have been no dips and no blips, just a sustained rise in tax throughout the Government's term of office. The ONS, the Library and the Organisation for Economic Co-operation and Development—how many more independent authorities have to spell out the truth before the great Labour lie on tax will admit defeat?

Mr. Jones: To facilitate the debate, will the right hon. Gentleman say whether he supports the minimum wage and the working families tax credit? He has never said yes or no, but it is about time that he stopped whingeing and gave us answers.

Mr. Maude: Three days before the previous general election, Labour refused to say what half its policies were. I shall not announce everything today.

The Chancellor of the Exchequer (Mr. Gordon Brown): Will the right hon. Gentleman give way?

Mr. Maude: I shall give way to the Chancellor if he will deal with the issues that I am raising on the tax burden. Will he admit that the tax burden is rising? Is he able to cite any independent authority that supports the contention just made by the Prime Minister that the tax burden is falling? If he is able to cite one, he did not share the information with the Prime Minister.

Mr. Brown: The tax burden is falling, from 37.4 to 36.8 per cent. Will the right hon. Gentleman now answer our question? Will he support the minimum wage and the working families tax credit? The Conservatives have had 30 months to look at the issue. Can they give us an answer—yes or no?

Mr. Maude: I shall tell the right hon. Gentleman clearly. On the working families tax credit, we would not have abolished family credit and we think that it is wrong to extend means-tested benefits to people paying higher rate tax. The Prime Minister was right when he said at the election that social security bills should be cut, but they have increased by as much as health and education spending put together. As for the minimum wage, we shall want to see the employment effects.

I invited the Chancellor to say what independent authorities supported his contention, which he merely reasserted today, that taxes are falling. Significantly, he could produce no independent verification, so we shall take that as an admission that what we are saying, together with the OECD, the ONS and the House of Commons Library, is right—taxes are rising.

Mr. Brown: I said that the tax burden is falling, from 37.4 to 36.8 per cent. Is it not time that we had an answer

from the Conservatives? Do they support the minimum wage and the working families tax credit? They have had 30 months to think about that. Abolishing the working families tax credit would mean a tax increase of £24 for the average family on it. Will the right hon. Gentleman give an answer—yes or no?

Mr. Maude: The Chancellor failed to answer the point. He merely reasserted what the Prime Minister said. He cannot cite any independent authority to support his view. The ONS figures show the position quarter by quarter. The tax burden has risen from 35.6 per cent. when Labour inherited responsibility for the economy from the Conservatives to 37.7 per cent. in the second quarter of 1999. The right hon. Gentleman knows that perfectly well. The Prime Minister admitted today that the only way in which the Government can massage the tax burden numbers down—still way above what they inherited—is by taking out the figures for the working families tax credit, which the Chancellor knows is in contradiction to accepted international accounting standards.

Mr. John Bercow (Buckingham): Given his deserved reputation for generosity, will my right hon. Friend award at least one Brownie point to the hon. Member for Brent, East (Mr. Livingstone), who said in an interview on "On the Record", of which Labour Members should be constantly reminded, that, although the Government had not increased the top or standard rate of income tax, they had increased a lot of other taxes and that it would have been better to have told people honestly beforehand?

Mr. Maude: We know now why the Government are so desperate to keep the hon. Member for Brent, East (Mr. Livingstone) at bay. He refuses to go along with the great Labour lie and insists on telling the truth.

When the OECD first showed that Britain had the fastest rising tax burden in Europe, the Chancellor described it as totally untrue. He then said that it was not the report that was untrue, but the media's reporting of it. The report says that taxes were higher in 1998 than in 1997. It says that they went up during Labour's first full year. Is the Chancellor still saying that that is totally untrue—yes or no?

Mr. Brown: The right hon. Gentleman asked me what reports I can quote on taxation. I have a report commissioned by the Leader of the Opposition—the Nott report on the European Union. The shadow Chancellor has asked about the comparison of the British economy with others in Europe. The report says that Britain has a great deal to lose if statutory business tax rates are subject to extensive harmonisation, as our rates are relatively low:

"Taxes are significantly higher in most EU countries than in the UK".

Now that I have answered the shadow Chancellor's question, will he answer mine? Will the Conservatives admit that the minimum wage, the working families tax credit and the new deal are good for Britain? If they do not, the Conservative party is more extreme than ever.

Mr. Maude: The fact that the Chancellor relies on a report to show something else illustrates how barren his cupboard is. He cannot dispute the central, crucial point that the tax burden has risen, and will continue to rise. The only way he can massage the figures is by fiddling them.

Mr. Brown: I have quoted the figures to the shadow Chancellor—37.4 per cent. down to 36.8 per cent. Let me add the figures that the Conservative Government were proposing for these years—1999–2000, 37.2 per cent.; 2000–01, 37.7 per cent.; and 2001–02, 38.1 per cent. The burden is lower than the Conservatives were planning. Will the shadow Chancellor now answer our questions? Does he agree that the minimum wage, the working families tax credit and the new deal are good for Britain?

Mr. Maude: The best the Chancellor can do is to contend that the tax burden is falling, under his fiddled definitions, from a level to which he himself has raised it. I must remind him that he is the Chancellor of the Exchequer—he has introduced these taxes. They have gone up in Budget after Budget. In every quarter, the tax burden has risen. These are the ONS figures—they show that the tax burden has risen.

Several hon. Members *rose—*

Mr. Maude: I am not giving way for the time being.

It is in black and white in the report, but the Chancellor insists that black is white—that taxes are down when they are up, that promises have been kept when they have been broken, and that trust has been honoured when it has been betrayed. He goes on about how he is cutting one or two headline tax rates, but people know that what really matters is the tax burden—the total amount of the nation's income taken in tax.

No one is grateful for getting back the little that the Chancellor is giving with one hand when he is swiping so much more with the other—like a manager boasting about the one goal that his team scored, while omitting to mention the four that they let in. Will he use this opportunity today to get off the treadmill where he has got stuck? Let us call this national tax amnesty day. Why do the Government not just admit the truth?

Mr. Owen Paterson (North Shropshire): Will my right hon. Friend give way?

Mr. Maude: I will not give way for the time being.

Will the Chancellor persist in lecturing businesses about the rate of corporation tax, when the Confederation of British Industry says that the Government have increased tax massively and that the sums they give back are trivial by comparison?

That is the first, and the worst, broken promise. In opposition, Labour said that it would not increase taxes at all. In government, the tax burden has risen every quarter since Labour came to power. Labour has decided that its only option is to rewrite the truth. There is nothing in the Queen' Speech to salvage Labour's promise on tax. There is nothing to reverse the dead weight of extra regulation that the Government have heaped on business.

Where was the Bill in the Queen's Speech to set Government Departments targets to cut red tape over the years? There was no sign of it. It was all so different in those trusting times before the election when Labour was courting business with its manifesto promise not to impose burdensome regulation. Labour went through the whole process of courting—the wooing, the dinner dates,

[Mr. Maude]

the flowers, and the promises that it would still respect business in the morning. Now it seems that it was just a one-night stand. Regulation is rising relentlessly.

Mr. Dale Campbell-Savours (Workington): Will the right hon. Gentleman give way?

Mr. Maude: No.

We are told that everything will be all right because the Government have declared war on red tape. They might as well say that they are declaring war on themselves. What does the Chancellor say to business men who trusted Labour before the general election and now face extra red tape costing £5 billion a year? Will he say, "Sorry, we can't help it; we're in the grip of some hideous compulsion."? Even the Prime Minister admitted that some of the regulation is "over the top", but who does he think put it there in the first place?

Mr. Campbell-Savours: Will the right hon. Gentleman give way?

Mr. Maude: No.

The Queen's Speech refers to the Financial Services and Markets Bill, which is a chilling example of regulatory incontinence. It invests oppressive powers in a single, unaccountable, over-mighty institution. That concentration of power in one pair of hands has no place in a free society. There is no split between the chairman and chief executive, no properly independent board and no checks and balances. The Financial Services Authority will act as rule maker, policeman, prosecutor, judge, jury and executioner.

It is hardly surprising that the imminent legislation is frightening a lot of people in the City. They are reluctant to speak out lest they be identified as troublemakers and targeted by the FSA. I have heard senior people in the City speaking in chilling terms about the threats that they fear from the authority and the Bill. The Bill needs further changes to end that fear.

Several hon. Members *rose—*

Mr. Maude: I will not give way again. I have given way many times and I want to make some progress.

The Government inherited the fastest-growing economy in Europe. For two and a half years they have chipped away at the very foundations of Britain's competitive advantage with new taxes and more red tape. They thought that everything would be easy with the golden legacy that they inherited. They are like the cocky cyclist who says, "Look, no hands." Because of the strength of the legacy, they thought that a few more regulations here, a bit more tax there and, while they were at it, a few favours thrown in for the trade unions would not matter. For a time it looked all right, but slowly and surely the proof comes through.

Productivity is another notable absentee from the policy pronouncements in the Queen's Speech. Last year, the Chancellor thought that it was the factor that mattered most. *[Interruption.]* He said that it was a fundamental yardstick of economic performance and that poor productivity condemns a nation to being held back. This year—*[Interruption.]*

Madam Speaker: Order. The right hon. Gentleman must be given a proper hearing.

Mr. Maude: Thank you, Madam Speaker.

This year, the Chancellor promised in his Mais lecture that productivity would be the focus of his pre-Budget report, but he barely mentioned it in his statement. That is hardly surprising, as it has been disclosed that growth in productivity has fallen by two thirds since he took office. In the previous Parliament, it was 2.2 per cent. a year and now it is 0.7 per cent. Is he proud of that? How prudent is it to be presiding over an economy in which the seedcorn is being eaten away by degrading our productivity growth?

The next part of the great Labour lie is enterprise. Within days of announcing to the CBI tax cuts said to be worth £40 million to entrepreneurs, the Chancellor confirmed his plan to rake in £500 million under his IR35 proposals. It is a bit of a shame that he did not speak first to Mr. Peach from Aberdeen, who wrote to his local Member of Parliament.

Mr. Peach said—*[Interruption.]* Hon. Members should listen to this, because I guarantee that in every one of their constituencies there will be hundreds of people who are hit as Mr. Peach has been, and they might to like to know what the effect is.

Mr. Peach said:

"I promised to let you know how IR35 would affect me.

I am pleased to say that it will, in fact, have no effect as I have obtained a contract with a top Internet solutions company in New York, for which I must thank the Government—without IR35 I would never have been looking . . . Given your Government's professed declarations of support for Information Technology and, in particular, internet technologies, I wonder if my skills are really the sort that you want to drive away from the UK.

As my family will be emigrating with me, you will lose my wife's taxes as well as my own . . . last tax year we paid some £26,000 in Corporation Tax, Income Tax and National Insurance . . . and for the current year . . . I would estimate a net loss . . . of £30,000".

Is the Chancellor proud of that?

The Paymaster General may come to regret her arrogant assertion that claims of a vast exodus are irresponsible and do not bear a moment's scrutiny. The fact is that the Government are hitting not only their old heartlands but the very people they persuaded to trust them before the election.

Mr. Campbell-Savours *rose—*

Mr. Maude: I shall give way to the hon. Gentleman.

Mr. Campbell-Savours: Persistence pays. I have a constituent called Mr. Peach, who is a good friend of mine, and we have interesting conversations. I am sure that he would like to ask the right hon. Gentleman the same question that he has been asked by my right hon. Friend the Chancellor several times during this debate—what is the Opposition's position on the working families tax credit and the national minimum wage? Will the right

hon. Gentleman answer that very important question today so that I can satisfy the interest of my constituent Mr. Peach?

Mr. Maude: It is very interesting that the hon. Gentleman, like his right hon. and hon. Friends, has no answer to the problem of IR35. We said that it would drive people abroad and it is already doing so. The economy, the country and the new technologies will all suffer from that ill-judged measure.

The Chancellor and his colleagues have made much of the claim that, this year, the economy is likely to have done better than outside forecasters predicted. However, Labour Members omit to mention one simple reason for that—consumer spending this year has been much stronger than predicted. Why? Because saving has halved. Most people want to save, to make themselves independent of the state and build up security for the future. Saving is one of the most prudent actions possible, but it has halved. How prudent does the Chancellor think that is?

After the raid on pension funds, the abolition of TESSAs and PEPs, the introduction of the ISA—a bewildering financial instrument and a tribute only to the taste for financial complexity of the former Paymaster General—saving has fallen by half since the Chancellor took office. However, the Prime Minister said before the election, in 1996, that the whole of Labour's economic policy was geared to promoting stability, saving and investment. The only thing that he did not say was that the gear would be the reverse gear. The Chancellor should now admit that, judged by the Prime Minister's words before the election, Labour's policy on saving has been a dismal failure. When will the Chancellor admit that his short-term attack on saving will be cripplingly damaging in the long term?

In the Finance Bill, we can expect some more small-scale measures, some foreshadowed in the pre-Budget report, which claim to help business. Businesses may be grateful for a few crumbs of support that slightly offset the hammering they are getting from rising tax and extra regulation, but they do not want those crumbs. The situation is starting to resemble what people used to say was Labour's approach: "If it moves, tax it; if it still moves, regulate it; and when it stops moving, subsidise it." Businesses do not want the trivial concessions that Labour now offers; they want the Government to stop beating them up.

The Government propose to bring forward a Bill introducing resource accounting. We support the principle—indeed, it was the Conservatives who decided to introduce it. My concern is not with what the Bill proposes to cover, but with what it fails to cover. It will exclude most of what the Government receive and, crucially, most of what they spend. The Government talk of greater honesty and transparency, but the proposed Bill would give the Treasury carte blanche to include or exclude items from the accounts at whim.

For example, there is nothing in the Bill to prevent the Government from reclassifying the working families tax credit as a tax reduction rather than a benefit expenditure, even though that would be a clear breach of international accounting conventions. We support resource accounting, but the Government are giving us creative accounting.

There is so much scope for fiddling the books that one begins to wonder whether the former Paymaster General, the hon. Member for Coventry, North-West (Mr. Robinson), is doing some consultancy work for the Chancellor. The Chancellor has been universally condemned for his corruption of the national accounts. Sir Peter Kemp has said that the Chancellor is a statistical heretic. The OECD has said that he violates international accounting rules when presenting his figures.

We feel the same unease about the proposed Bill on private finance. We strongly support the private finance initiative, but the latest proposal must not allow the Chancellor to remove debt from the Government's balance sheet simply by means of more financial engineering.

The Government are proposing to introduce a Freedom of Information Bill. That should be about openness and honesty, but the Government still do not provide honest information about people's tax bills. Only one Labour Member is prepared to come clean about tax, and that is the hon. Member for Brent, East. He has stated:

> "We haven't increased the top rate of tax and the standard rate of tax, but we have increased a lot of other taxes . . . we have done it with all these stealth taxes. I just think it would have been better to have honestly told people beforehand."

It is no wonder the Government do not want the hon. Gentleman to run for mayor. It is not because he will not sign up to the Labour party manifesto, but because he will not sign up to the great Labour lie—no wonder the Prime Minister says that it would be a disaster for the Labour party if the hon. Gentleman got selected.

The Queen's Speech is a blueprint for the short term. The Government courted the public's trust before the general election; since then, they have abused it. By their abuse of trust, the Government are undermining their own trustworthiness.

We heard how 1999 was to be the year of delivery. Perhaps it was: three facts of life under Labour have been delivered, and only one of them is new. Tax went up when a Labour Government were last in charge, and it is going up today. We have always known about Labour's obsession with more regulation and red tape, so it is no surprise that Labour's new regulations already cost the average small business £4,500 a year. Is that making them more competitive? Of course it is not.

The only new fact of life under Labour is the great Labour lie to sustain the false image that the Government have created. Just last Thursday, the Prime Minister said that

> "if people don't trust us with their money, they won't trust us with anything."

People do not trust Labour on tax any more, and they are right not to. The Government say one thing and do another. When they are discovered, they deny everything but carry on just as before. The corruption of the truth on tax is the new corruption in British politics.

3.58 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): We have just heard a rerun of the speech given by the Leader of the Opposition last Wednesday, only without the good jokes. I shall answer, one by one, each of the points made by the shadow Chancellor, the right hon. Member for Horsham (Mr. Maude).

The shadow Chancellor said that the economy is doing badly. He wants to sustain the argument that he advanced last year about the state of the economy. *[Interruption.]*

[Mr. Gordon Brown]

Apparently, one member of the Opposition Front Bench thinks that the economy is doing well. I am grateful for that acknowledgement, but the Opposition amendment before the House this afternoon does not say that.

Only one serious report on economic policy has come from the Conservative party in the past two and half years. It was authorised by the leader of the Conservative party to examine the question of Europe, but incidentally it looked also at the British economy. In it, we find answers to most of the questions asked by the shadow Chancellor. The report stated that

"the economy is doing well . . . The UK currently has the low inflation stability business has craved for decades."

Surely that is the first answer to the Conservative party's charge that the Government are anti-business.

The report also examines the Bank of England. After two and a half years, the Conservative party has not given an answer—

Mr. Maude: We will give an answer on that long before the election—the Chancellor did not even give an answer three days before the election—and our answer will be the result of a great deal of expert and careful consideration; it will not simply be lashed together on Mr. Balls's laptop.

Mr. Brown: The Conservative party has had two and a half years to think about it, and three former Chancellors have come out in favour of our policy. The Nott committee report says:

"the Bank of England is handling monetary policy effectively on the whole."

Why cannot the shadow Chancellor give us an answer today? [HON. MEMBERS: "Go on."] We have raised four major policy issues with the shadow Chancellor today. They are neither incidental nor accidental, and cannot be dismissed as unimportant to economic policy. The Bank of England's independence is the foundation of monetary and fiscal policy; the new deal is the foundation of employment policy; the minimum wage is the foundation of our policy to make work pay and the working families tax credit is the foundation of our policy for families. Does the country not now deserve to know whether the Opposition support—in principle, not in detail—the minimum wage, the working families tax credit, Bank of England independence and the new deal? If, after two and a half years, Opposition Members cannot answer those questions, they have absolutely no credibility on the economy.

Sir Peter Tapsell (Louth and Horncastle): Will the right hon. Gentleman give way?

Mr. Bercow: Will the right hon. Gentleman give way?

Mr. Brown: I am again happy to give way to the shadow Chancellor if he wishes to intervene. If not, what credibility do the Opposition have?

Mr. Michael Fallon (Sevenoaks): Will the right hon. Gentleman give way?

Mr. Brown: I will be happy to give way, and the hon. Gentleman could also answer the fifth question about Conservative policy—the privatisation of parts of the national health service.

Mr. Tim Loughton (East Worthing and Shoreham): Will the right hon. Gentleman give way?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We are not conducting an auction.

Mr. Brown: I have said that I will give way, but if the shadow Chancellor will not answer my questions, perhaps someone who aspires to that job will.

Mr. Fallon: While we are on the subject of credibility, the Chancellor has successively claimed to be the architect of independently set interest rates, the deliverer of low interest rates, and, this morning, the backer of higher interest rates. To which of those three claims should we ascribe greater credibility?

Mr. Brown: Stability in economic policy—the stability that eluded us for 20 years under the Conservative Government and that led the Nott committee—set up by the leader of the Conservative party—to say:

"the economy is doing well".

I think that my right hon. and hon. Friends will find particularly interesting the report's comment that

"a return to 'boom and bust' would undoubtedly threaten prosperity and jobs."

Even the Conservatives are worried about a return to Tory boom and bust. I am happy to give way to the shadow Chancellor, but if he refuses to answer our questions, I will allow Opposition Back-Bench Members to make their points on his behalf.

Sir Peter Tapsell: Would the right hon. Gentleman allow me to put a question to him? If he is so very convinced of the desirability of an independent Bank of England why, when he set up the new arrangements shortly after the election, did he take care to keep the power to override the Monetary Policy Committee and the Governor of the Bank of England if he thought it necessary in a national crisis?

Mr. Brown: In almost every arrangement that governs the independence of central banks, an override is allowed for exceptional circumstances. Perhaps the shadow Chancellor can tell us whether the Conservative party wants to keep the Bank of England independent but with no override.

I have asked five serious questions about the Conservative party's economic policy, and I have quoted the Nott committee's doubts about the shadow Chancellor's policies. As the shadow Chancellor will not answer my questions, I will take an intervention from the junior employment spokesman, who has controversial views.

Mr. Bercow: Why did the Chancellor pledge in April 1997 that he would not impose burdensome regulations on business because he understood that successful businesses must keep costs down, when he well knew that he intended to impose an additional regulatory cost of £4,500 a year on the average small business?

Mr. Brown: That is absolutely untrue. We have cut small business tax from 23p in the pound to 20p. It is perhaps a reflection on the Conservatives that their Government did not do so. We have introduced a small

business tax rate of 10p in the pound, which small business has widely welcomed and which the Conservatives failed to do in 20 years of Government. We have introduced a lower rate of capital gains tax at 10p in the pound to encourage business investment, and that has also been welcomed right across industry.

The only contribution that the hon. Member for Buckingham (Mr. Bercow) has made to economic debates has been to argue that the new deal is a calamity. He wants people to believe that it would be best for Britain if we scrapped the new deal and the working families tax credit. The shadow Chancellor wants us to scrap Bank of England independence. The Conservatives are incapable of answering questions on the economy, and they have no credibility.

Mr. Bercow *rose—*

Mr. Loughton *rose—*

Mr. Brown: We still have not heard from the shadow Chancellor. About six Back-Bench Members have posed as the shadow Chancellor by trying to ask me questions, and I shall be happy to give way to more of them.

Mr. Loughton: Would the Chancellor remind us whose Queen's Speech we are debating? Is it the Government's programme or ours?

Mr. Brown: The Opposition have tabled an amendment to the Loyal Address, and they are attacking the Government. I have put some questions to the shadow Chancellor but he has remained silent six or seven times. I have asked him to answer questions on five fundamental aspects of Conservative economic policy. The shadow Chancellor cannot answer those questions because he always gets it wrong. He said last year that unemployment would rise, but it has fallen by 120,000. He said that employment would fall, but it is up by more than 200,000. He said that there would be a downturn but there has been 1.75 per cent. growth. *[Interruption.]* It appears that he wants to go back on what he said then, but he said that our forecasts were fantasy forecasts. A week later he stepped up his rhetoric accusing us of Peter Pan economics and lyrically saying that we used fairytale figures. Those are not the titles of Jeffrey Archer novels.

Mr. Maude: Does the Chancellor remember that, when he was shadow Chancellor in 1993, at the beginning of the longest sustained period during which unemployment fell, he predicted that unemployment would rise month after month?

Mr. Brown: I was quoting from the Budget report. The shadow Chancellor said that we had made fantasy forecasts and that we were talking complacent nonsense. He predicted that there would be a gaping hole in the public finances and a downturn made in Downing street. His problem is that he cannot justify the predictions that he made in Parliament.

Mr. Bercow *rose—*

Mr. Brown: The shadow Chancellor has yet to answer my five questions. Can the hon. Member for Buckingham, the junior employment spokesman, help us by committing his party either way on continuing with the new deal, the working families tax credit and the minimum wage?

Mr. Bercow: That was a nice try but the Chancellor must do better than that. Will he answer my question? Is he aware that, since the new deal for young people was introduced, at least 50,000 have left the scheme for what the Government euphemistically describe as destinations unknown?

Mr. Brown: Does the hon. Gentleman support the new deal and want it to work better, or does he oppose it? Some 500,000 young people and long-term unemployed have gone on to the new deal, and 170,000 of them have got jobs. Does he or does he not support that? Does he now agree that the windfall levy on the utilities was the right thing to impose, or does he not? Why cannot the shadow Chancellor answer one serious question about the fundamentals of his economic policy?

I studied the Conservative amendment in great detail, and I now have great glee in reading it out. On the day that Conservative party finances are under scrutiny and in the week that Lord Archer is under scrutiny, the Conservative party's amendment has the audacity to call for honesty and openness. Conservative Members accuse other people of saying one thing and doing another, but the amendment was tabled by a party whose ethics and integrity committee has never met. Conservatives probably think that "Ethics" is the name of the county that includes Basildon and their leader's judgment is so bad that the first and last words that he uses about Jeffrey Archer are integrity and probity.

Let us consider the Conservative party's membership list. We need only begin with the letter A, and Aitken, Archer and Ashcroft—its A-list of candidates. These days, what does one call a Tory candidate whose name starts with the letter A? The accused.

Sir Peter Tapsell *rose—*

Mr. Brown: I shall take one more intervention, but I shall offer it to the shadow Chancellor, so that he can answer the questions about the Bank of England, the minimum wage, the new deal and the working families tax credit. He can tell us what his policy is. If I cannot persuade him to intervene, I shall take an intervention from what I suppose is a surrogate for him. Will the shadow Chancellor answer those questions now, or is the hon. Member for Grantham and Stamford (Mr. Davies) going to reply? No, so I shall have to give way to the hon. Member for Louth and Horncastle (Sir P. Tapsell).

Sir Peter Tapsell: Although some of us have been here long enough to recognise that the right hon. Gentleman is relatively inexperienced in the affairs of the House, when a Chancellor does not want to defend his measures, it is one of the oldest tricks in the parliamentary book for him to ask a series of questions of the Opposition and to talk about everything else except what was in his Budget statement.

Mr. Brown: I have asked five fundamental questions of economic policy. I have asked a question about the Bank of England, which the Opposition cannot answer; a question about the future of the minimum wage on

[Mr. Brown]

which 2 million people depend, and their fears have not been allayed; a question about the working families tax credit on which 2 million people and 3 million children depend, and the Opposition cannot allay people's fears; and they cannot allay the fears of people who are on the new deal, which was paid for by the windfall utilities tax. However, they neither support the new deal nor did they support the introduction of the utilities tax.

Mr. Michael Jack (Fylde): Will the Chancellor give way?

Mr. Brown: I have said that I want to make progress. I shall outline the measures that are in the Queen's Speech.

Our domestic policy is built on five foundations—stability, employment and no return to the unemployment that we saw under the Conservatives, help and not harm for working families, investing billions more in the public services rather than privatising parts of them and support for engagement in Europe against isolation in Europe. We have made the Bank of England independent—

Mr. Edward Garnier (Harborough): The Chancellor has wasted 15 minutes.

Mr. Brown: I have not wasted 15 minutes. We have discovered from the Conservative party that it has no answers to the central questions of economic policy. I do not think that anybody listening to this debate will be in any doubt that, after two and a half years in which Conservative Members have been talking to themselves, issuing press releases, and when they now think of themselves as dissidents who are being persecuted, they have been unable to answer any serious questions of economic policy.

Mr. Jack *rose—*

Mr. Brown: I have been very generous in giving way. However, each time that I seek to give way to those on the Conservative Front Bench, they refuse to intervene. They then ask me to give my full speech, and that is what I propose to do. We made the Bank of England—

Mr. Deputy Speaker: Order. I am not presiding over Opposition Question Time. I invite the Chancellor to follow his better instincts and to progress with his speech.

Mr. Brown: I hope that you are enjoying the debate, Mr. Deputy Speaker.

We made the Bank of England independent, and we ensured that interest rate decisions are taken in the long-term interests of the economy, and not for short-term political considerations. We now have a sound and credible platform of stability, low inflation, and low long-term interest rates. Growth is forecast this year to be 1¾ per cent.—stronger than expected at the time of the Budget—and next year to be between 2½ and 3 per cent. Opposition Members would have been proud of such a record had they achieved it.

Mr. Jack: Will the right hon. Gentleman give way?

Mr. Brown: I shall give way once more, because the right hon. Gentleman is a former Conservative Treasury Minister. If the shadow Chancellor cannot answer any questions about Conservative policy, I will assume that the right hon. Member for Fylde (Mr. Jack) wants to do so.

Mr. Jack: Following your advice to the Chancellor, Mr. Deputy Speaker, I should like to ask him a fundamental question. In response to the points made by my right hon. Friend the shadow Chancellor about tax levels, the Chancellor quoted certain figures from table B7 on page 150 of the pre-Budget report, which shows tax as a percentage of gross domestic product. Will he confirm that that table shows that, in the current financial year, net taxes and social security contributions total 37 per cent. of the gross domestic product, and that, by the next election, that figure will have risen to 37.2 per cent? The bottom of that table also shows rising Government receipts as a percentage of GDP. That table conclusively shows that taxes are rising.

Mr. Brown: I have the table in front of me, and ask the right hon. Gentleman to look at it carefully. Table B10 shows—

Mr. Jack: B7.

Mr. Brown: The table on net taxes and social security contributions is table B10. That shows that, for the 1998-1999 outturn, the figure was 37.4 per cent., and that the 1999-2000 estimate of 37 per cent—

Mr. Jack: I referred to table B7.

Mr. Brown: The table entitled

"Net taxes and social security contributions"—

I do my homework, even if the Opposition do not—shows figures of 37.4, 37 and 36.8 per cent. The corollary—what the Conservatives would have done—is 37.2 per cent., rising to 37.7 and 38.1 per cent. That is the true position of what would have happened under a Conservative Government.

It is easy to see why that is so. We have cut corporation tax and income tax, and we have created a 10p starting rate of tax and set a 10p rate for capital gains tax.

Mr. Jack: On a point of order, Mr. Deputy Speaker. Is it in order for the Chancellor to choose to answer a completely different question from that honourably posed by another hon. Member?

Mr. Deputy Speaker: The right hon. Gentleman has sufficient experience to realise that those are matters for debate and not for the Chair.

Mr. Brown: I repeat that the table in the pre-Budget report on net taxes and social security contributions shows—*[Interruption.]* It is not what the Opposition want to hear, but these are the facts that are stated in the document. They do not want to believe them because the share of tax next year will go down—and that is the truth. The reason is that the basic rate of income tax has been cut, a 10p tax rate has been set up, capital gains tax is falling to a 10p long-term rate, business tax has fallen—and is falling—from 33p to 30p and small business tax has fallen from 23p to 20p. Those are Labour tax cuts.

The Conservatives pushed tax up to the highest burden in history. Under the Conservatives, there was the fastest rise in taxes. They misled the people in 1992 when they said that they would not impose VAT on fuel, but then did so ruthlessly, punishing pensioners.

We have locked in not only action against inflation through the Bank of England—*[Interruption.]* If hon. Gentlemen on the Opposition Front Bench want to explain Conservative party policy, they may ask me to give way so that they may offer some answers instead of talking from a sedentary position as though they have something to say, although they have no policy to announce.

We have locked in fiscal tightening; we will not relax our discipline. Having moved from the ad hoc piecemeal approach in the old Conservative annual spending rounds, we have a three-year, long-term system of public expenditure planning, to which the 13 interdepartmental reviews that we have announced today will contribute.

The reviews, which will take place during the comprehensive spending review process, will cover the rural and countryside programme, young people at risk, crime reduction, support for older people, an interdepartmental review on drugs, Government intervention in deprived areas, science and research, welfare to work and its relationship to the new project, the criminal justice system, sure start, and two foreign policy issues—conflict prevention, and nuclear safety in the new Soviet Union. There will also be a major interdepartmental review of local government finance.

Mr. Edward Davey (Kingston and Surbiton): The right hon. Gentleman will have noticed that there was a disruption in the Strangers Gallery earlier, and the pensioners who were shouting into the Chamber threw down some blue leaflets because they wanted to ask him a particular question—

Mr. Deputy Speaker: Order. There is only this Chamber; we cannot speak of places outside it.

Mr. Davey: I am sorry, Mr. Deputy Speaker.

Does the right hon. Gentleman think that a 73p a week increase in the basic pension gives senior citizens their promised rightful share in our nation's growing prosperity?

Mr. Brown: Why does the Liberal party not recognise the three measures that we have introduced, the first of which was the £100 winter allowance for every pensioner household—*[Interruption.]* I do not know whether the Liberal party supports that. Why does it not recognise what we have done for pensioners aged over 75, with the free colour television licence? The week before the pre-Budget report the Liberals said that they did not support that idea any more—*[Interruption.]* Oh, apparently now they do. They issued a statement saying that they would not support the idea of free television licences; now they—*[Interruption.]* Do they support them or not?

Mr. Matthew Taylor (Truro and St. Austell): The Chancellor knows that we consistently argued for free television licences for pensioners over 75, but said that free television licences for all pensioners would be too costly. There has been no change in our policy. If the right hon. Gentleman is looking in his notes for a quotation from a newspaper arguing exactly that point, I think that he will find that that is what we said. Will he now answer the real question, which is about the basic state pension and pensioners' concern that they are getting only a 73p increase, although his reserves from social security underspend mean that he could well afford to give them much more?

Mr. Brown: I have looked at the billions of pounds worth of Liberal spending commitments, and the week before the pre-Budget report the Liberals withdrew their support for the free colour television licence, which we have now introduced. Why do they not also support the minimum income guarantee that we have agreed for between 1.5 million and 2 million pensioners? As a result of that, and all the other changes that we have made, the poorest pensioner, the pensioner aged over 75 or 80, is receiving £15 a week more than when we came to power, and the poorest couple aged over 80 is receiving £20 a week more.

The Liberals have to grow up in relation to public spending. They support public spending on everything as each cause becomes fashionable, yet they tell people in other parts of the country that they support toughness and rigour in public spending. They say that they support tax rises to spend on this and that, yet they tell people in Tory areas that they are against tax rises. They must sort out their position on public spending. On the main issues of health, education and pensions, we have done more than any Liberal ever dreamed of doing.

We have announced the new interdepartmental reviews of the spending round, which is part of our policy for fiscal and monetary stability, the foundation of which is the independence of the Bank of England. That is the first divide between ourselves and our opponents. We support the independence of the Bank of England, and monetary and fiscal stability under the clear rules that we have drawn up; we have had no answers from the Opposition.

The second difference is that we support constructive action in Europe, whereas the Conservatives are unprepared to do so; indeed, they would leave us isolated. The shadow Chancellor is only one step away from saying that he would never in any circumstances support the single currency for Britain—which puts him at odds with the hon. Member for Grantham and Stamford, his neighbour on the Front Bench, who is very keen on it, and regards as unacceptable the rejection of a single currency in principle.

The third area of division between us is employment policy. We have cut youth and long-term unemployment by half since we came into office, employment is up by more than 700,000 and there are more people in work now than at any time in our history. Unemployment is at its lowest for 20 years. I believe that one contributing factor to that is the existence of the new deal. I would like to think that right hon. and hon. Members on both sides of the House would support the new deal as being effective and for delivering the results.

Sir Teddy Taylor (Rochford and Southend, East): Is the Chancellor willing to say something about the astonishingly sharp fall in the value of the euro since its launch, from 71p to its lowest ever value, recorded

[Sir Teddy Taylor]

yesterday, of 63.3p? Is this something that the Government anticipated or did it take them by surprise? Is it something that we should worry about?

Mr. Brown: The hon. Gentleman has enough experience of the House to know that no Finance Minister has been prepared to make running commentaries on exchange rates. However, in the past year, growth in America was making the greatest contribution to the development of the world economy while Europe and Japan were not making the contribution that we wanted of them. The contribution from Europe is starting to increase this year as growth in Europe picks up. Like me, I think that the hon. Gentleman would want to welcome the fact that we have balanced economic growth worldwide, where Europe, Asia—including Japan—and America make their full contributions.

To be able to influence the policy of the European Union on the single market and other issues, we must take a constructive attitude to Europe and not remain isolationist in the way that the Conservative party now wants to do.

The three dividing lines between ourselves and the Opposition are first, our support for stability and their reversion to boom and bust; secondly, our support for the new deal and their rejection of it; thirdly, our support for a constructive attitude in the European Union. Unfortunately, the Conservative party is isolationist.

The fourth area of division is on public services. We have invested £40 billion in education and health cumulatively over the coming three years. We have built 1,600 extra classrooms and provided for 4,500 more teachers. By next year, all five, six and seven-year-olds will be in classes of 30 or fewer. We have doubled capital expenditure on schools. We are on track to meet our promises on waiting lists, and we are determined in future to finance the health and education services in a way that did not happen under the previous Government.

The Conservative party cannot escape the fact that, over the past year, it said that our spending plans were a "reckless spending spree". It said that spending was going through the roof year after year. At the Conservative party conference, the shadow Chancellor said that we had lost control in the biggest spending spree for a generation. On the "Today" programme, the right hon. Gentleman said that it was madness to embark on the public spending programme. The Conservative party also said that we had entered into extremely irresponsible and reckless commitments to which the country should not be committed. The shadow Chancellor has said that total spending is at a reckless level. Even this August, the shadow spokesman for the environment said that Labour's big mistake was to announce huge increases in public spending and said that the Opposition recommended reducing future spending plans. The shadow Chancellor was at it only a few days ago to the *Financial Times* when he said that Labour threatened yet another spending spree.

Let the Conservatives explain to the public how they will cut public spending without affecting the resources that are available to health and education. Let them explain to the country how they will meet their tax guarantee and maintain the levels of public services that people want to see. I think that Conservative Back Benchers will be surprised to know that, in the Hayek memorial lecture that the shadow Chancellor gave when he was out of the Government in 1995, he asked whether it was possible to change things. Then, he was criticising the Conservative Government for spending too much and for introducing too much regulation. He asked whether it was within the realm of practical politics to reduce the share of national income taken and spent by the state from the then current 41 per cent. share to, say, 25 per cent. He said that he supposed that, if his case for its overwhelming importance was accepted, then the question answered itself. He said that it had to be made possible and that politics was the art of making possible what one believed to be right. He argued that there could not be soft options; it required much more toughness.

Let us consider that 25 per cent. figure in public spending. Bizarre as it sounds, it would require a cut in public spending of £144 billion. As the Conservatives now favour 25 per cent. public spending, I shall take the House through the implications of that.

Spending on defence and foreign affairs accounts for about 3 per cent.; agriculture about 1 per cent.; and law and order about 2 per cent., which the Opposition want raised. Spending on transport and the environment together account for about 6 per cent.; and interest payments are about 4 per cent. Three per cent. is spent on pensioners—we had a debate last year, when the shadow Chancellor insisted that he did not want to abolish, cut or means-test the basic state pension, so we assume that he would pay that money out. Spending on disability and on education bring the total to 30 per cent., even before we have discussed the NHS.

What is the Conservative attitude to the public services? How would the shadow Chancellor get to 25 per cent? He may want to intervene now and give us more details of the Conservative economic policy. As he knows, I have been prepared to deal with interventions, and I will give way to him. In his 1995 lecture, ominously entitled "One Nation Revisited", he said:

> "What I am arguing for is a strategic long-term shift in direction that takes us gradually away from compulsory collective state provision to private voluntary collective provision."

Is that not what the Opposition health spokesman is telling people round the country? He is going around saying that non-urgent operations should be moved out of the NHS. He has been saying that he is about to unveil a plan for private medical insurance so that people can take up such insurance, or perhaps they will be forced to do so. The shadow Home Secretary has been going around saying that she wants charges in the NHS.

When the Conservatives published their plans for a common-sense revolution, I noticed that they never committed themselves to maintaining the levels of expenditure. I noticed that they said that public spending would be cut and that, in that document, they gave no commitment whatever in relation to the overall level of spending in the national health service.

Is it not the case that behind the shadow Chancellor's designs in relation to public spending is the aim that he set out so clearly? He can correct it now. If he did not say that public spending should be reduced to 25 per cent.

and that that is the measure by which he will be judged on his toughness, I am happy for the record to be corrected so that there is no doubt about it.

Mr. Maude: This is a pathetic abuse of one of the most serious parliamentary occasions of the year. If the Chancellor wants to have it confirmed that I believe that we should resume the steady, very gradual downward path over time of the share of the nation's income taken by the state, yes, I confirm that. That is what we achieved over time when we were in power, and I believe that we should resume it.

That illustrates a stark difference between us. The Chancellor used to speak about how important it was to restrain the size of the state. What he has shown by what he does, rather than what he says, is that the share of the nation's income taken in tax and spent by the state is rising inexorably year after year.

Mr. Brown: This has been one of the most illuminating debates that we have had. We have a shadow Chancellor who refuses to tell us what he would do about the Bank of England, the minimum wage, the working families tax credit or the new deal. Now we have a shadow Chancellor who does not deny his statement on the record in 1995 that he wants to reduce public spending as a share of national income to 25 per cent. I notice that he did not deny what the health spokesman was saying around the country about private medical insurance, non-urgent operation outside the NHS and more charges in the NHS. Does he want to deny that now?

Mr. Garnier: I am glad to have an opportunity to speak in the debate, now that the Chancellor has resumed his seat.

Mr. Deputy Speaker: Order. *[Interruption.]* Order. Once I am on my feet, the hon. and learned Gentleman must resume his seat. It is becoming unclear, even to the Chair, whether the Chancellor has finished his remarks. If he is giving way, he must indicate, if only for my guidance, to whom he is giving way.

Mr. Brown: As you know, Mr. Deputy Speaker, I have been happy to give way many times during the debate. I volunteered to give way to the shadow Chancellor.

Mr. Desmond Swayne (New Forest, West): On a point of order, Mr. Deputy Speaker. Is it in order, even for the Chancellor, to make a second speech without first seeking the leave of the House?

Mr. Deputy Speaker: I do not need such a contribution in the present situation.

Mr. Brown: Today's debate has been revealing. We now know that the shadow Chancellor does not deny his long-term plan to reduce the share of national income taken by the state to 25 per cent. We now know also that he is not prepared to repudiate the shadow Health Secretary on privatisation in the NHS. He has created another dividing line between us for the coming campaigns in Britain.

We are the party of stability. The Opposition, because they will not make the difficult—

Mr. Garnier *rose—*

Mr. Brown: I shall not give way. You, have urged me to press on Mr. Deputy Speaker, and I have offered to give way to the shadow Chancellor on many occasions.

These are the dividing lines. First, Labour offers and achieves stability, while the Opposition offer only a return to stop-go. Secondly, Labour's commitment to the new deal will yield 170,000 job opportunities in the long term to young unemployed people. We shall continue to expand the new deal, while, as must be clear from today, the Opposition are determined abolish it. Thirdly, we are committed to the working families tax credit, from which 1.5 million people are benefiting. Furthermore, 1 million people have telephoned to inquire about taking it up. That shows that many of them are considering taking jobs and getting back into work, while the Opposition are determined to impose an average tax rise of £24 a week on those who would lose the working families tax credit. Finally, we are committed to Britain's public services, while people are now in no doubt that the Conservative party is the party of privatisation.

The debate on the Queen's speech has revealed the Conservative party in its true colours. It is the party of the few; Labour is the party of the many.

4.36 pm

Mr. Matthew Taylor (Truro and St. Austell): I congratulate the Chancellor. He is overseeing a good position in Britain's macro-economy, on which he deserves congratulation. The Conservative party's amendment is bizarre in not recognising that in any form. The way in which the amendment is written makes one think that Conservative Members have not noticed the last couple of years and are attempting a criticism of their own record.

The Chancellor should recognise that that achievement has been built upon three foundations. The first is the golden rule, a sensible approach to public spending and balancing the economy, for which we argued before the general election. The second is independence for the Bank of England, for which we argued and which the Chancellor opposed before the general election. The third important element is the success of the American economy, the present growth within the other European countries and the quite remarkable bounce back of the Asian economies and the signs of growth in Japan. That has provided a good basis for the Government's management of the British economy. Nevertheless, the Chancellor has made important and right decisions, which we welcome.

However, there are real issues of concern within the economy and I want to touch on five—the complication of the tax regime; the difficulties of exporters hit by the high pound, who are well represented in my constituency; public spending, which I believe is set to follow a boom and bust pattern—just as the Chancellor attempts to avoid it in the wider economy he makes that very mistake in his handling of public spending; the environment; and preparation for the euro.

I do not want to say too much about the complication of the tax regime, simply that the increasing plethora of levels of personal taxation—the introduction of small

[Mr. Matthew Taylor]

schemes which the Chancellor says back entrepreneurs but which newspapers aimed at those very entrepreneurs, such as the *Financial Times* and *The Economist*, say overcomplicate the tax regime and are of no real benefit to entrepreneurs but are a real disbenefit to a simple, clear tax regime within which people can operate—is perhaps the Chancellor's single worst legacy as a detail manager within the Treasury. That is the opposite of the approach taken by Lord Lawson who, in some respects, the Chancellor criticises but who, in other respects, he admires. One thing which deserves admiration is the way in which complications in the tax regime were dealt with then. Perhaps it took money from accountants, but it helped small businesses, for which complication is not a benefit. Even if there are tax allowances, chasing them wastes time and energy in companies that cannot afford much outside expertise. They certainly cannot afford to use managers' precious time in chasing a few tax allowances.

Mr. Fallon: To which tax breaks does the hon. Gentleman have the greatest objection?

Mr. Taylor: One example is the complication of the capital gains tax regime. We argued that it would not help, and that it was not only over-complicated but that it tied people in unnecessarily for too long. The Chancellor acknowledged that in the pre-Budget report. *[Interruption.]* I could give many examples, but I do not want to delay our proceedings because I have greater points to make on other subjects, and I do not want to take up Back Benchers' time. I do not know whether the hon. Member for Sevenoaks (Mr. Fallon) wants to take part in the debate later.

I want to consider exporters and the strong pound. Does the Chancellor have a policy on exchange rates? What does he consider to be an appropriate exchange rate? Does he recognise the genuine difficulties that are caused by the Monetary Policy Committee's concerns about the housing boom in the south-east, which is leading to an increase in interest rates that is inappropriate for conditions in much of the economy elsewhere? It is important to know whether the Chancellor has a policy on those linked issues. Higher interest rates help to keep the pound high; keeping the pound high contributes to hitting manufacturing industry in the most depressed parts of the country. In my constituency, there are price-sensitive exporters in heavy engineering and especially in the china clay industry. Therefore, I know how direct the knock-on effect of the high exchange rate is on job losses, which have been continuing and will go on, according to their management, if the pound stays so high. There are other examples of that around the country.

There are various answers to the questions that I asked. Perhaps the Chancellor believes that differences between various parts of the country do not matter. Perhaps he believes that the current rate of the pound is appropriate, and that any pain in manufacturing is okay because there will be gain later. Both those answers would be wrong. It would also be wrong to ignore the serious effects of the house price boom in the south-east. It not only prices out of housing many people who live and work here and are not on high incomes, but stacks up problems in the economy through increases in interest rates. It also creates pressure for 1.1 million homes in the countryside in the south-east, while homes empty in many towns and cities in the north. By changing the tax regime to equalise VAT between new build and renovation and improvement of existing building—perhaps also considering a tax on greenfield sites to help to improve brownfield land so that it is more affordable and there is greater interest in building on it—we can begin to tackle some of the housing problems. However, the Chancellor appears to pretend that they do not exist.

Sir Teddy Taylor: The hon. Gentleman rightly referred to the great difficulties of the Governor of the Bank of England and his board in co-ordinating the effects of interest rates on different parts of the economy, for example house building and industry. I ask him in all sincerity, how do he and his colleagues believe that it will possible to co-ordinate the impact of a single interest rate in Europe? Surely the problems that the hon. Gentleman has mentioned would be infinitely worse if we had a single interest rate in the European Union.

Mr. Taylor: There are two parts to the answer. First, the effects could be addressed through fiscal policy. Secondly—as I am sure the hon. Gentleman, who studies these matters carefully, knows—there are fewer differences between European Union countries than between different regions of the United Kingdom.

Any debate on the economy should consider not only how much tax we raise and the state of the economy, but how public money is spent. The Government put a lot of emphasis on their prudence in planning for stable debt and increased spending on public services, but I watched the tax debate between those on the two Front Benches with some amusement because the simple fact is that the tax rate has risen over the 1990s, under both the Conservative party and Labour. The economy has also grown, not spectacularly—

Mr. Campbell-Savours: Will the hon. Gentleman give way?

Mr. Taylor: In a moment.

The economy has grown not spectacularly, but steadily. Public spending, however, has been restrained and we see continued deterioration in key areas of public service. Where has the money gone? Essentially, in the past two years, it has gone on building up massive Government surpluses—on their figures, one of £33.5 billion before the next general election—but the true amount is disguised in reserves. For example, there have been increases in planned reserves for social security, even though there has been consistent underspending on benefits, and that has helped secretly to boost the Government's coffers.

The Chancellor has chosen what he calls prudent growth forecasts—I believe that he is right—but if the Treasury papers arguing that the sustainable growth rate is now 2.5 per cent. and not 2.25 per cent. are correct, he has even more in his war chest to spend. He might intend to spend those surpluses before the next general election. If so, he is leaving it so late that there will have been a

bust in public services in the early years of this Parliament to fund a boom at the end. That is no more right for public service spending than for managing the economy.

Mr. Christopher Leslie (Shipley): Will the hon. Gentleman give way?

Mr. Taylor: In a moment.

The Chancellor may not want a boom for the next general election, and one can understand why. After all, the 2005 general election may—he hopes—be rather more important for him personally and it might be better to offer a boom then, although that is not what his Back Benchers want as the next general election will be tight for some of them.

Mr. Leslie: Will the hon. Gentleman give way?

Mr. Taylor: In a moment; I want to proceed on that point.

Perhaps the Chancellor does not believe any of that. Perhaps he simply believes that it is the object of a Chancellor to bring as much money into the Exchequer as possible and to spend as little as possible. It is hard to believe that he thinks that storing up such surpluses would make sense in the long run, let alone be electorally viable, but if he does not, our argument is that steady, sustained growth in public spending would be sensible and that the present plans do not deliver the manifesto commitments on which he was elected. I said that I would give way to the hon. Member for Workington (Mr. Campbell-Savours).

Mr. Campbell-Savours: The hon. Gentleman has moved on.

Mr. Taylor: Then I shall give way to the hon. Member for Shipley (Mr. Leslie).

Mr. Leslie: It seems that I am second choice. Can the hon. Gentleman confirm that the Liberal policy is still to extend the personal tax allowance to about £10,000? If so—and if he wants more public spending, too—will cutting the national debt be the source of his income or does he intend to put up taxes? If so, which taxes?

Mr. Taylor: The hon. Gentleman will find that our policy has been spelled out in some detail. We have consistently published our proposals, which were to combine the abolition of some of the existing tax allowances with an increase to 50 per cent. in top-rate tax for those earning more than £100,000 a year and the gradual introduction of a carbon tax. That would allow such a process to take place. Incidentally, taxing pollution rather than people would help to tackle some of our environmental problems too. As the Government's energy levy is introduced, my own view is that we shall have to consider the policy position in the light of the current circumstances. We shall again publish our costed proposals for the next general election.

The Chancellor likes to attack Liberal Democrat economic policies and spending proposals, but I remind him that we have set out our costed proposals in detail at each general election, which is clearly more than he has been able to do. In 1987, our costed proposals contrasted with a Labour party manifesto—he was in the team—that was clearly unbelievable and unaffordable. Labour was unelectable. In 1992, the Labour party learned some lessons from that and presented a costed manifesto. The costings were so high that the party remained unelectable, and it was not elected. The Chancellor was a key part of that team.

By 1997, the Labour party had flipped the other way, and did not cost its manifesto. That is obvious in policy after policy.

Mr. Clive Betts (Lord Commissioner to the Treasury): We were electable.

Mr. Taylor: Labour may have been electable but its policies were undeliverable. The Government now face problems with class sizes and waiting lists. They told us that a reduction in class sizes for five to seven-year-olds would be funded by the abolition of the assisted places scheme. The figures tell their own story. It cost many times that amount to get to where we are. Far worse than the financial costs—we are not unsympathetic about the extra spending—is the fact that the Government were not willing to provide money in the early part of this Parliament to fund the reduction properly, so that it has been bought at the expense of children over eight. Parents who had six-year-old children at the time of the last general election and who voted to get their children's class sizes reduced, because they saw the teachers struggling and were concerned for their children's future, now have eight-year-olds in record class sizes. They have paid in this way for that policy because the Government were not willing to provide the money when it was needed.

We should consider the Government's education spending record in this Parliament. It was interesting to hear what the Prime Minister had to say during parliamentary questions about where they will end up, but they should have started with those increases to make that policy happen, and to prevent class sizes from rising. Labour Members know that full well, because, when they visit schools, they hear that story. Incidentally, they cannot recruit sufficient teachers, which says something about what is happening on wages.

On health, the right hon. Gentleman fought the general election on a pledge to reduce waiting lists. The Government have not been able to achieve that, and now we are told that they have dropped that policy. The pledge to cut waiting lists is out of the window, because they are not prepared to provide the funds to make it happen. Waiting lists for out-patients—the people waiting to get on the waiting list—are at record levels. The Government have not even reached their targets on the in-patient lists, and 89,000 operations have been cancelled on the day of the operation. Meanwhile, there is a crisis in nursing such that the Royal College of Nursing's predictions of difficulties in nurse recruitment have been exceeded. The problem is even worse than the RCN dared predict.

On pensions, social security and the disabled, the Prime Minister defends the cuts in benefit for people with disabilities in the future on the ground that the manifesto said that the Government would review welfare policies. I do not believe that anyone who voted for the Labour Government did so because they believed that Labour intended to cut benefits for people with disability—benefits that those people have paid for through national insurance contributions. If that happened in the private

[Mr. Taylor]

pensions sector, the case would be taken to court. In this case, there is nothing people can do but protest from the Gallery.

Worst of all, the Chancellor pretends that he cannot afford to do better. On the day that he announced tax breaks for millionaire entrepreneurs, he pushed through on a Whip cuts for people with disabilities. On the day that he announced a 73p increase in the basic pension, he revealed that he is tucking away thousands of millions in surpluses on social security. No doubt he will tell pensioners later that they will get an increase—perhaps just before the next general election—but that does not help to pay their bills now.

Mr. Gordon Brown: The Liberal Democrat spokesman should tell the full story, which is that £1 billion is being spent on the disabled this Parliament, £6 billion extra on children, and £3 billion extra on pensioners. That is what the Government have been able to do.

The hon. Gentleman talked about health and education, and referred to manifesto pledges. His manifesto promised a 1p in the pound rise in tax to spend on education, which is less than £2 billion a year. We are spending more than £6 billion a year extra on education. He promised £700 million for health, and we are spending something in the order of £7 billion extra a year. Instead of pretending that he can add up when he patently cannot, he should admit that we are spending more on the disabled, pensioners and children, and that we are providing more resources and doing things in the health service that he can only dream about.

Mr. Taylor: The Chancellor is wrong, and I am glad that he has given me a chance to nail him. It is clear that our education pledge promised an immediate increase equivalent to a penny on income tax, and that that related to current spending. We would be spending, in real terms, an extra £2 billion a year in every year of this Parliament. According to their plans, the Government will be spending around half that amount by the end of the current Parliament—and that does not allow for the fact that we have never suggested that we would not spend more on the basis of growth, as all Governments do. What we said was that we would spend on the basis of a static budget, making no assumptions about growth, and that the expenditure was guaranteed.

The fact is that schools would be better off under our proposed measures than under the Chancellor's. First the Chancellor tries to ignore issues of inflation, secondly he tries to ignore the fact that there was growth planned anyway, and thirdly he tries to pretend that lumping together current and capital expenditure will make a difference to teachers in the classroom, and to books, equipment and class sizes. None of that is true.

Mr. Brown: The hon. Gentleman should tell the full truth to the House of Commons. The Liberal Democrats opposed the new deal; they opposed the windfall levy; they opposed the additional capital expenditure of more than £1 billion on schools that has now raised £2 billion through public-private partnerships. As well as spending nearly £20 billion extra on education, we have managed to put more money into schools through the new deal. Let the hon. Gentleman be honest with the House: he opposed that.

Mr. Taylor: The Chancellor is wrong. We did not oppose the new deal, although we did argue that the windfall tax was not the right way in which to fund those measures. *[Interruption.]* We shall have plenty of time to return to the issue, and I shall enjoy doing so, but let us now consider the future. I raised the subject of the comprehensive spending review at Treasury Question Time. The hon. Member for Bolsover (Mr. Skinner), who is not present now, said—echoing, I suspect, the views of many Labour Back Benchers—that the new comprehensive spending review, which will double up on the third year of the current spending plans, 2001–02, would provide an opportunity for increased public expenditure, reflecting the very good economic circumstances on which I congratulated the Chancellor earlier.

The Financial Secretary to the Treasury, however, has said more than once that there is no possibility of changing the third year of the present plans, and that they are set in stone. Will the Chancellor now tell us whether, when the new plans for 2001–02 are announced next year, the existing plans will prove to be set in stone, or whether people can hope for increased public spending on education, health and the police—just in time, coincidentally, for the general election? I do not detract from that; I simply want to know whether the Chancellor will answer that fundamental question. If people are to submit to the review on a coherent basis and argue the case—Labour Back Benchers, or Liberal Democrats—we need to know whether the plans for 2001–02 are set in stone.

The Chancellor does not want to answer that question, which makes us wonder whether there is not, after all, a secret war chest. The Chancellor says that he is prudent, that there is no war chest, that there is no money to spend. I am sure that Labour Back Benchers are horrified to learn that there is nothing to come for schools, hospitals and the police in time for their leaflets—but there he is, the prudent Chancellor. Or is he not replying because he plans to release the money not now, when it is needed by children in schools, but in time for the general election? Those are bust-boom economics.

Let me turn to an issue on which we may be able to agree. I am glad that the Government are at last dealing with the issue of environmental taxation. They are finally getting something right in regard to the environment.

Mr. Campbell-Savours: Will the hon. Gentleman give way?

Mr. Taylor: I am very aware of the time, and I must make haste. The hon. Gentleman refused an opportunity to intervene earlier.

On environmental taxation, the Government have started to move in the right direction. They have accepted that the energy levy as originally designed was a complete disaster for both the environment and industry. It was introduced in one lump, giving industry no time to make the capital investment to adjust. It should have been introduced gradually over time, so that industry could respond.

The levy was not even good for the environment because it taxed all energy sources, whether they were environmentally beneficial or not. That is the difference

between our policy of the carbon tax and the Government policy of snatching money from industry without giving it any chance to get it back, not worrying whether it was environmental.

The Chancellor has improved the policy by attempting to make it relate to those industries that pollute, but he has failed to do it well. For example, hydro and industrial combined heat and power schemes will still be taxed. The process through which he is doing it—he has ruled out a carbon tax—simply does not work well. On the other side, he is having to let some industry off.

Mr. Leslie: I ask a genuine question. Can the hon. Gentleman elaborate on what he means by "carbon tax"? Is he talking about fuel duty, or a levy on energy consumers? What sort of carbon tax is he talking about? It will have to be fairly considerable to cover the £20 billion cost of his £10,000 tax allowance.

Mr. Taylor: I do not want to delay the House at length. I would be happy to show the hon. Gentleman not only our workings, but those of the Institute for Public Policy and Research and the Institute for Fiscal Studies, all of which show how such schemes would work. I suspect that he would have some support for the IPPR.

The carbon tax would be levied at source on the carbon content of the fuel—that is the point of the tax. It would be introduced gradually, so that it gradually increases the income to the Exchequer and stabilises energy prices, which are falling. Incidentally, if the hon. Gentleman is worried about road fuels, they would be exempted because, unlike other energy sources, they are already extremely heavily taxed.

I ask the Chancellor another question that he can perhaps help to answer. He has said that the road fuel duty escalator will no longer be in place and that road fuel duty increases above inflation will be used to pay for public transport. I notice that, in the transport press and motoring journals, the policy is presented as the end of the fuel duty escalator, but that, to environment groups, it is presented as the way in which the Government will fund public transport. I ask a simple question. Is it the end of the increases, or the way to fund public transport? It cannot be both, yet the Chancellor seems to take credit for both.

Mr. Loughton: On the subject of escalators, it is not clear from the hon. Gentleman's last point whether he agrees with the policy that was initiated by the hon. Member for Weston-super-Mare (Mr. Cotter) at the time of the Budget—that the Liberal Democrats favoured an energy tax escalator.

Mr. Taylor: I have just described the carbon tax. I cannot elaborate further on that now, but, if the hon. Gentleman wishes to see the policies that we have presented on the matter—I said that it would be gradually introduced—he can see the material. A carbon tax has been looked at not only by ourselves, but by the Institute for Fiscal Studies and the IPPR, so, wherever people are on the political range, in that material, they should have something to read that they find interesting and informative.

I finish with a final question. It is a simple one; I do not know why the Chancellor has felt unable to get up to answer my previous questions. He was critical of the Conservative Front-Bench team for not responding to his questions. I am not sure why he has found it difficult to respond to many of ours. I will give him a simple one, to which he must know the answer.

The Chancellor will know that Liberal Democrats believe that we should move towards euro entry. We believe that it is important to establish a target range for the exchange rate—to have some sense of where we want to go in at. That fundamental issue is not in his criteria, surprisingly, but he has set a number of other criteria, many of which are important.

The question is simple. Does the Chancellor see himself as actively working to meet those criteria and to achieve euro entry, or as simply a spectator at the match, watching it go past, but not making any active efforts towards the euro? Does he want to join it, actively seeking to do so and creating the conditions for it, or is it simply a spectator sport, not mattering either way?

My questions are the questions that the Chancellor should have answered. They are important. It is noticeable that on none of them has he been willing to stand up.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind the House that the 15-minute limit on Back-Bench speeches applies from now.

5.5 pm

Mr. Robert Sheldon (Ashton-under-Lyne): The hon. Member for Truro and St. Austell (Mr. Taylor) made a lengthy attack on my right hon. Friend the Chancellor of the Exchequer—who was also attacked by the right hon. Member for Horsham (Mr. Maude). My right hon. Friend, however, has had only two and a half years in his position, and it has not been an easy time. Right from the outset, he said that his task was to produce stability and, to the surprise and admiration of those who follow such matters, he has achieved it. He should be congratulated on that.

I should like to speak briefly about the Monetary Policy Committee membership. I am pleased that the four outside, independent committee members will be given greater facilities to make their contribution. Each of the four will now have two economists—which is really quite generous, and will be very much welcomed, as they have an important contribution to make. I should have liked, however, for the committee to be rather more broadly based, and I wish that there were more visible signs of input from other parts of Britain, based on the needs of Britain outside the south-east. My right hon. Friend the Chancellor is right to have encouraged good and open argument, including from those who make the case for manufacturing industry in the regions. However, the argument—which is not between the regions, but between the south-east and the rest of Britain—should be rather more broadly based.

The Monetary Policy Committee has to deal with inflation, one important element of which is the large increase in house prices. Today, there was disturbing news about yet further increases in house prices. There is a very strong differential effect between house price rises in the south-east and those elsewhere. House price inflation is a fundamental part of inflation generally, although that has not always been sufficiently appreciated—particularly in the 1980s, when the Government thought that inflation was under control and ignored the importance of rising house prices.

[Mr. Robert Sheldon]

I am worried that interest rates are being set to suit inflation in the south-east. Housing costs in the south-east are increasing greatly, unlike those in other parts of the country. The economy, however, is being run on the basis of events in the south-east.

The average house price in the south is more than £100,000. In my constituency—which is not as depressed as many of my colleagues' constituencies—one can buy an excellent house for less than half that price, and page after page in local newspapers describes such properties. My constituents are having to bear many of the consequences of high interest rates, for which the responsibility lies elsewhere.

My main concern—I am not sure that the Monetary Policy Committee has sufficiently dealt with it—is the forces of competition. When the committee decides to increase interest rates, is it fully taking into account changes in competition in the United Kingdom? The Government have done much to encourage competition—full marks to them for that—but does competition affect prices and inflation? I suspect that it does.

Car prices are very much affected by competition. The internet's effect on inflation is only small, but it will become much greater. Supermarkets such as Wal-Mart—the new company from America—also will have their effect on competition. What effect will they have on prices in the near future—a matter on which the Monetary Policy Committee has to comment?

Overseas competition, too, will have an effect on inflation. So many British producers are very conscious of competition from overseas. With a high exchange rate, that competition is even more serious. We need to widen and maintain the debate. The European central bank also needs to take those matters into account.

In his statement on 9 November, my right hon. Friend the Chancellor talked about hypothecation. That was very important, because it was the first comment that we have had on the subject. He said:

"the extra revenues from a 5 per cent. real terms rise in cigarette duties would go straight to additional investment in the national health service, worth £300 million a year—that is £300 million extra for hospitals and health care which could start next April."—[*Official Report*, 9 November 1999; Vol. 337, c. 891.]

That is the first statement in favour of hypothecation since the road fund duties in the 1920s.

I have always agreed with the Treasury line on hypothecation. To earmark expenditure is to lose the ability to decide on priorities. In addition, the amount of tax collected may not accord with future expenditure plans. However, there is one case, which I have been pursuing for some years, for earmarking some money from taxation for particular purposes: when the demand is high and ever-increasing, the case for the services concerned is strongly urged and acceptable to all, and the cost is increasing indefinitely. The national health service meets all those requirements. As people's wants are satisfied, they turn ever more to their needs for medical care. The need and the cost are increasing, and will inevitably continue to do so.

In his foray into hypothecation, my right hon. Friend was right to select the national health service for what I hope will be the commencement of the process. The expenditure satisfies the conditions that would justify its introduction. It is clear that the cost of the health service will rise ever faster than the rate of inflation or growth in the economy because the population is ageing. As other wants are met, health needs become an area of increasing expenditure. The time is coming when either we shall have to turn more to private medicine, which I do not favour, or we shall need a special national health service tax.

Anyone who has been in the Treasury has a visceral feeling about that idea. The road fund licence still casts its shadow 70 years later. One important weakness of hypothecation is that it does not take account of changes in priorities, as I said. However, the demand will continue indefinitely and we need to consider introducing a separate national health service tax. The issue needs to be sensibly explored. Proposals for such expenditure on the national health service in the Budget, if properly managed, could gain widespread support in a way that taxation changes generally do not.

I should also like to talk about our entry into the euro zone. There was always a case for not wishing the European Community to come into being or, more realistically, for opposing any extension of its activities. However, having opposed and having discovered that the Community was going to develop anyway without our presence, it was unwise to deny ourselves the opportunity to get involved actively and wholeheartedly. I am increasingly worried about the delay in accepting the euro. On 1 January 2002, just two years from now, the euro will be introduced in the European Community in notes and coins. That is important, because it is what will make the fundamental change. It is possible that Sweden, Denmark and, just conceivably from what I read in today's *Financial Times*, Greece may have entered by then. We could be the only members of the European Community outside the euro. Further economic and monetary changes will follow and we shall be excluded from them. As my right hon. Friend the Chancellor of the Exchequer said in his statement to the House on 27 October 1997:

"The decision on a single currency is probably the most important question that this country is likely to face in our generation."—[*Official Report*, 27 October 1997; Vol. 299, c. 583.]

The Chancellor set out five economic tests to be met before we joined the currency: whether there can be sustainable convergence between Britain and the economies of single currency countries; whether there is sufficient flexibility to cope with economic change; the effect on investment; the impact on our financial services generally; and whether it is good for employment. Some have queried the difficulty in deciding whether a clear and unambiguous case can be made for some of those. Can any precision be applied to the tests?

We have not had an assessment of how, in the two years following the statement, the tests are being met. Are we nearer to meeting them? If so, which ones? How have we moved in relation to the tests? Will there be a future assessment of how we are meeting the tests?

In today's edition of the *Financial Times*, the Foreign Secretary gave a stark warning about the potential dangers of staying outside the euro zone, and added that, by the end of next year, Britain could be the only EU member state without a firm date for joining the European single currency. Whatever happens following the introduction of notes and coin on 1 January 2002, it will mark a fundamental change in the perception of the currency and the closer economic integration of the Community.

We know that a number of manufacturers are querying the role of Britain as an offshore island and are considering that their future investment may be necessary in the euro zone. I am fearful of the cost to our country if we do not enter the euro zone before the common currency becomes an everyday currency. A decision to join after then could cause further problems for the Community and for ourselves, and the resolution of those problems could exact a considerable price economically and politically.

The failure to enter the euro zone could be the culmination of the greatest mistake in the post-war years. Many would consider this to be the final chapter, following our failure to take the leadership in Europe at the end of the war, which was ours for the asking; our failure in 1950-51 to lead Europe into the Iron and Coal Community; our failure at Messina; our failure to join the Community in the 1950s; and our failure to play a constructive part in the growth of the Community. The Conservatives now look for a final opt-out from the euro. If we stay out now, our dismal record will be complete, consistent and wrong.

I do not want that failure to come at the end of a sad 100 years—including two world wars for this country—which had started with so many of the glories of the previous century. My right hon. Friend the Chancellor has achieved so much in running the economy sensibly and well. We must look to the question of the euro, which must remain at centre stage.

5.18 pm

Mr. John MacGregor (South Norfolk): In view of the time limitation, I must be selective, and I will concentrate on three areas—agriculture, transport and pensions. I am aware that there have been debates earlier on those matters, but all the points that I wish to make are Treasury points. It is right to raise them today, and I hope to get a response to them.

I want to declare an interest, in that I am a non-executive director of companies involved in all three of those matters. These are included in the Register of Members' Interests. I say this in a positive way, as it gives me a detailed insight into the issues—especially pensions.

On agriculture, I wish to refer to the pesticides tax. On 9 November, I asked the Chancellor whether he would make a commitment not to proceed with the tax. He did not answer. He turned to one of his colleagues, seeking an answer—but he did not get it there. He did not answer any questions today. His speech was one of the emptiest that I have ever heard from a Chancellor; it was contemptuous of the House.

I hope that I will get an answer today. After failing to get one from the Chancellor, I read the pre-Budget report, which says:

"The Government believes that a tax or charge could be a useful tool, in conjunction with other measures, in addressing the environmental impact of pesticides."

It goes on to say that the Government will have further discussions with the industry. It is questionable whether a pesticides tax is the best of way of dealing with pesticides issues in agriculture and the environment. All my farmers tell me that to impose such a tax now would be a further threat to an already heavily beleaguered industry.

Sir Teddy Taylor: Why is it beleaguered?

Mr. MacGregor: For many reasons that I do not want to go into now, as I am talking about the pesticides tax. I urge the Government to make a commitment not to proceed with the tax and to lift the threat.

The pig and poultry sectors are in difficulties and the pig sector is going through an exceptional crisis. I cannot remember such a situation in the industry, which is used to pig cycles. As a result of the events of the past 18 months, many people will come out of pig production because they are incurring great capital losses and, in some cases, facing bankruptcy.

This is an exceptional period, and, although I have always been resistant to substantial subsidies for such industries, it is important for the Government to see what they can do, as we face the threat of the pig industry diminishing seriously. I urge the Chancellor to meet the costs of the additional measures that are being imposed on our pig farmers, but not on those in the rest of the European Union or elsewhere. We impose higher standards of animal welfare, environmental protection and food safety, with a cost amounting to 5.7p per kg. I understand that the Agriculture Commissioner has said that he has no objection to such state aid in the present circumstances. Some such action is required if the pig industry is to survive.

We have had many discussions about labelling in the past 18 months. If I understand it aright, the agreement that is about to be reached with the French at last—after missing all the deadlines—contains a provision, on which the French have insisted, that British beef be labelled British. If that can be imposed on us, I see no reason at all why the same should not apply to products from other European Union countries and from Thailand and Brazil. We have urged that for a long time.

I want to follow up a point about the road fuel duty escalator made by the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). I think that it should be scrapped. We are committed to that, and I very much regret the fact that the Chancellor is not. The Deputy Prime Minister last week described the hypothecation or ring-fencing of any duties coming from above-inflation elements in the escalator as "a radical departure". It is not a radical departure: in May 1993, when I produced a document recommending motorway charging, we made it clear that direct charges for road use could provide additional sources of finance for improving the road network.

I could not have made that commitment without the agreement of the then Chancellor. It was the best way of persuading people to incur the charges. We were already committed to hypothecation, but we were talking about motorway tolling—there is still a good case for that when we can get the technology right—whereas the Government are talking about congestion charging, the dangers and difficulties of which make it a political minefield into which they will regret going. I am not at all surprised that the Deputy Prime Minister now says that, it will not be implemented before 2005. I believe that it is a mistake to embark on it, and we must consider the details extremely carefully.

[Mr. MacGregor]

I understand from the tax documents that we have that, if the Chancellor decided to increase fuel duty by 2 per cent. above inflation, for example, that would yield about £230 million. That could easily be balanced by reductions in the general transport programme. I suspect that the Chancellor will do that, because he has so savagely cut the transport programme already. The danger, therefore, is that he will introduce a further increase in fuel duty that will clobber rural motorists, but claim that he is helping the motorist by hypothecating that amount of money to the road programme. That is nonsense, because even if he reverted to the full 6 per cent. of last year, it would not compensate for the cuts already suffered. I hope that the Chancellor will not make a virtue out of the so-called radical departure of hypothecation.

My right hon. Friend the Member for Horsham (Mr. Maude) rightly castigated the Chancellor on his record on pensions and savings. The decrease in the savings ratio from 10.6 per cent. when we left office to 5 per cent. now is deeply worrying, but it is not surprising. My right hon. Friend listed some of the reasons, of which the most obvious—to us, if not yet to the public at large—is the removal of £5 billion a year from pension funds through the advance corporation tax changes, which will have an increasingly adverse effect on pensions. Another factor is that ISAs are a poor substitute for PEPs and TESSAs. The dithering over what to do with pensions and long-term savings has left everyone in a state of limbo while the Government make up their mind.

The danger of the stakeholding pension scheme is that it will turn out to be the biggest pension mis-selling of all, because those with incomes between £9,000 and £15,000 would do better not to enter the stakeholder scheme, but to wait and claim the minimum income guarantee—under current Government arrangements—which will rise much faster than the basic state pension. My hon. Friend the Member for Grantham and Stamford (Mr. Davies) drew attention to that point in an extremely good speech.

The Government constantly denounce the pensions industry, but they will need to depend on it to ensure the delivery of their objectives. I was interested to note that the new director general of the Association of British Insurers, Mary Francis, who is a distinguished former Treasury civil servant, warned recently about the signals that the Government were sending to the consumer. She said:

"the government, which advocates the Third Way—that new partnership between private and public sectors, in which those that can should provide for their own needs without relying on the state—is simultaneously telling people they cannot trust the private sector.

Where does that leave the employee thinking about a personal or a stakeholder pension?"

The Government run grave risks to grab a cheap headline or make a cheap point.

The result of the past two years of this Government is that many people who should be saving for pensions at a much younger age have been encouraged to put off that decision until tomorrow. Meanwhile, while the Government dither, a new threat develops, which could have more serious negative consequences than any positive effects from the stakeholder scheme. That threat has not been discussed in the House yet, but my knowledge of the pension industry has led me to believe that it is one of the most serious threats we face on policy grounds. Two of the great virtues of UK pension schemes—as compared with those of other countries and as they have developed over the past 40 years—are the strong growth in defined benefit occupational pension schemes, which is one of the reasons why pensioners retiring in the past seven or eight years have been so much better off, and the heavy investment of those schemes in equities. Both those virtues are now at serious risk.

I can elaborate only a few of the reasons, which include the costs to employers of defined benefit schemes compared with defined contribution money purchase schemes; the requirements of the minimum funding requirement, which encourage employers to abandon defined benefit schemes because they carry so many risks; the heavy regulation that employers face, which encourage them and the pension industry to play safe by investing much more in gilts; the low inflation era and the actuarial response to it; and a new Accounting Standards Board financial reporting exposure draft—known as FRED20. I just want to say a word or two about FRED20, and to draw the Government's attention to the dangers of going down that route.

Although FRED20 is the international standard, pension development in this country has followed a different course, which has been much to our benefit. Given that FRED20 will have a considerable impact on big companies' balance sheets and, because of its volatility, sometimes on their profit and loss accounts as well, it is likely that it will accelerate the trend towards money purchase schemes, as those big companies look to get out of defined benefit schemes. It will thus encourage people to move into corporate bonds and gilts—the latter of which are in short supply for the very good and laudable reason that the Government have cut back on borrowing—but that will drive down the overall yield for pension funds. For policy reasons, therefore, we are about to enter a regime in which much of what the Government want to do for pensions—and of what I want to see done for pensioners—will be undermined.

In conclusion, I urge the Government to do the following things. First, they should consider introducing compulsion into the stakeholder pension scheme, which will not work without it. I say that very reluctantly, as I have always opposed compulsion in regard to pensions. It is certainly important that the Government address the problem of mis-selling. They have been warned about it, and the Opposition will return to the matter if mis-selling is proved to have taken place.

Secondly, the Government should examine FRED20 very thoroughly, as it is about more than accountancy standards. It has big policy implications for the United Kingdom, and we should consider seriously whether it is right for us.

Thirdly, the Government should reconsider the tax regime for pensions and long-term savings. One compliment that I will pay the Government is that the brief produced, after much consultation, on the tax regime for stakeholder pensions was very good. We can build on that to develop a much more lasting and efficient tax regime for long-term savings than the Government are proposing. Finally, I urge the Government to look again at the minimum funding requirement and all the regulations being imposed on the pensions industry.

Unless the Government take those steps, they will not fulfil the objectives for pensions and long-term savings that they have set and which the previous Conservative Government were achieving.

5.32 pm

Mr. Denzil Davies (Llanelli): The Government's economic strategy is set out clearly and succinctly in the Gracious Speech and my right hon. Friend the Chancellor repeated some of it this afternoon. The central objectives are high and stable levels of economic growth and employment and prudent management of the public finances in accordance with the codes and rules of fiscal stability. Moreover, as we have heard, monetary policy—that is, interest rates—is controlled by the Bank of England's Monetary Policy Committee.

That pious and godly couple, Mr. Stability and Miss Prudence, are still our role models. They would never be tempted to stray from the paths of righteousness and grace, but, if they ever were so tempted, rigorous rules are in place to ensure that they did not do so.

I was intrigued by the phrase

"high and stable levels of economic growth and employment".

I thought that I would delve deeper into the sacred texts to find its antecedents. I began with the Mais lecture given by the Chancellor a few months ago—the occasion when Chancellors can show their intellectual prowess to the bovver boys in the City. In that lecture, the Chancellor reaffirmed his commitment to the splendid goal of high and stable levels of growth and employment. I have no trouble with that objective, which the Chancellor pointed out was first set in 1944. Most hon. Members probably know that, but I was surprised to learn it.

My right hon. Friend went on to say that, in what he described as the "famous" 1944 White Paper, full employment was defined as high and stable levels of employment. Off I went to the Library to find the famous 1944 White Paper, but life is never easy. Apparently, two relevant White Papers were published in 1944. Perhaps both were famous, but which was the more famous is a subjective decision. The first, published in June by the coalition Government, was called "Full Employment". I am sorry that not many Liberal Democrats are in the Chamber, because five months later—a bit late; he had tried to get it out sooner—came Mr. Beveridge's White Paper, if it can be described as such. It was entitled, rather pompously, "Full Employment in a Free Society".

The Chancellor, very wisely, was referring to the coalition Government's White Paper, which described full employment as "high levels of employment"—a clever description, because it does not require the use of percentages. Mr. Beveridge, who was more certain, and perhaps more bold, described full employment as occurring when unemployment stands at 3 per cent. Indeed, Mr. Beveridge made some great claims for his version of full employment. He claimed that it was consistent with socialism, capitalism and some strange dogma, or theory, which he described as a liberal-collectivist via media. What on earth that means, I do not know. No doubt there is another sermon in it somewhere. However, when I saw it I thought, "Eureka! I have found the antecedents of the third way." *[Interruption.]* I see that the hon. Member for North Cornwall (Mr. Tyler) is pleased about that.

The Chancellor was not tempted to follow Mr. Beveridge, but stuck to "high employment" as his definition. His lecture also came close to extolling the 20 years following the 1944 White Paper as a golden age of low unemployment and low inflation. He also praised other aspects of the 1944 White Paper. He praised the call for greater productivity—well, nothing changes. He praised the call for work over idleness—again, nothing changes. He called, as the 1944 White Paper did, for a responsible attitude towards wage bargaining. Some of us, such as my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) might shudder at that phrase, with its echo of an incomes policy, but perhaps the world has changed since then.

However, the Chancellor did not touch on the fiscal and monetary policies that underpinned the 1944 White Paper. Despite the fact that the policies set out in the 1944 White Paper and the Chancellor's current policies aim for high employment and stable growth, the Chancellor has a different fiscal and monetary policy. The White Paper referred to the need for total expenditure to be used to maintain full employment as well as improve public services.

Those who drafted the White Paper would have given short shrift to all the codes and rules of fiscal stability—the so-called, rather pompous, golden rule, and the absurdly named growth and stability pact. All the attempts to entrench those rules into a kind of economic constitution and to put it beyond a nasty and irresponsible democracy would not have appealed to the people who drafted the White Paper.

The same applies to monetary policy. The people who drafted the White Paper would have had no truck with monetary committees of central banks determining interest rates. In fact, they lived through an era in which central bankers entirely failed to deal with economic traumas. There seems to be a paradox. On one hand, we have the goal of high and stable growth, and on the other, we have monetary and fiscal policies that seem entirely different.

My right hon. Friend the Member for Ashton-under-Lyne said that the Chancellor had done well and that the goals of high and stable growth and employment had gradually been achieved. I agree with that. If growth is high and unemployment and inflation are low, surpluses will be created, even at present taxation levels. There will inevitably be more money in the Exchequer, but I worry that the Chancellor has hemmed himself in with his rules of fiscal stability. I fear that he will feel unable to use the surpluses to benefit the public services. He may feel trapped and unable to break the rules that he has placed upon himself, but our public services need a lot of money.

It is not the Government's fault that our health service can no longer be described, perhaps with slight exaggeration, as the best in the world. Our health service no longer competes with the best standards of care in other European countries. Nor does our education system, despite the assistance that the Government have given. Far more money is required, especially for the centres of excellence that would enable us to compete in a global economy with the Harvards, Stanfords, Cal-Techs and MITs. Whether we call those centres of excellence or of elitism, we must compete with them in a global economy. We are not putting enough money into that.

[Mr. Denzil Davies]

There is great pressure on pensions, not only to restore the link between pensions and earnings but to raise the basic pension. Perhaps those who have not put savings aside and who can pass the means test will have their pensions increased, but those who have saved, but not much, find themselves on the same basic pension as those who have not. We are in danger of creating a two-tier system in which those who have not saved get a bit more, but those who have saved a little fall behind. That causes resentment among my constituents.

Substantial sums are required for the care of the elderly. Carmarthenshire social services department is under great pressure to provide residential care. In many cases, elderly people remain in beds in acute hospitals until someone dies or a room otherwise becomes available in a private residential home. The social services department simply does not have enough money to put all the elderly into residential homes. That puts considerable pressure on the health service.

Our transport infrastructure needs enormous sums of Government money if we are to put it right and to compete. I am not being profligate or trying to waste money, but there is a great need for money. Surpluses—some exist already and more will arise—should be used to improve the public services.

I fear that that pious and godly couple—Mr. Stability and Miss Prudence—are still around and that my right hon. Friend the Chancellor will listen to them a bit too much. I fear that he will be trapped by the wonderful rules—they are marvellous—of fiscal stability. Although they work wonders, they do not enable a Chancellor to use the surpluses, which were perhaps created by adherence to those rules, for the benefit of public expenditure. It would be ironic if my right hon. Friend, who has done so well in his stewardship of the economy, were to create surpluses that he could not spend because he must adhere to the rules that he himself created.

5.45 pm

Sir Teddy Taylor (Rochford and Southend, East): I had wanted to raise three brief points in the debate, but, having heard some of the speeches, I must point out to the Government that there are two sides to every argument.

Although my right hon. Friend the Member for South Norfolk (Mr. MacGregor) always makes wonderful speeches, I was horrified to hear him talk about the need to solve the problems of agriculture, and pig farmers in particular, by providing more subsidies. I have been through a bit of a nightmare over the European Union, and it horrifies me to hear from those who landed us in the common agricultural policy, which is the greatest protection racket ever devised by man. It wastes more money than any other public policy I can think of. I am sure that that money could solve all the problems of Carmarthenshire and of the elderly and the disabled, yet those who landed us in that nightmare say that the answer is more subsidies.

The Government should consider the money that the European Union spends on agriculture. It is at its highest level ever. We must add to that the money spent by Great Britain—about £5 billion last year—and all that spent by other national Governments throughout Europe. The result is a nightmare—the massive over-production of food that we do not know what to do with.

For example, demand for meat on the continent is falling by about 2 per cent. a year, and in Britain it is falling by 1 per cent. a year. Having created that shambles that we cannot get out of, we are told that the answer is simply to provide more subsidies. At some stage, the European Union or the Government will have to face up to the fact that we have created a monster in the CAP. Unfortunately, we know it cannot be reformed because of the way the EU works, but the last thing in the world that we want to do is to try to solve the problem by spending more money.

I ask people to think of the money that is spent on destroying food. I hope that my right hon. Friend the Member for South Norfolk would love to come with me to one of the great occasions where we spend vast amounts of taxpayers' money destroying food. Last year, more than 1 million tonnes of food were destroyed. I am sure that lovely cauliflowers are grown in Norfolk but, last year, 170,000 tonnes of them had to be destroyed to help agriculture.

What has probably upset me even more than my right hon. Friend's speech was to learn—I remind him that this is no laughing matter—that the National Farmers Union, the great guardian of farmers, had been to local superstores, including the Asda superstore, to tell them that they had to stop selling New Zealand lamb because it is being over-produced. When one thinks of how New Zealand has helped us whenever we have been in trouble and asked nothing for itself even though it is at the other end of the world, it is insulting that superstores are caving into such demands.

I do not make my remarks as someone who represents a constituency with no farmers; I have plenty of them there.

Mr. Paul Tyler (North Cornwall): The hon. Gentleman will not have many left.

Mr. Deputy Speaker: Order. We do not want sedentary interventions.

Sir Teddy Taylor: I assure the hon. Gentleman that there are many farms in my constituency. However, it would be sickening to do what most Liberal Democrats would do, which is to pretend to farmers that one can solve their problems by providing them with even more subsidies. That would land them in an ever greater mess. The Liberal Democrats—and, indeed, the Conservatives—who supported the European Union and the CAP as a means of solving the problems of agriculture should be thoroughly ashamed of themselves. We have spent a fortune and ruined agriculture as a consequence. We have created a vast over-supply that we do not know what to do with, and public expenditure is higher than ever. The idea that providing more subsidies will solve the problem is an insult not only to taxpayers but to agriculture, which we all care about.

Mr. MacGregor: I did not want to interrupt my hon. Friend because of the limits on time. However, he will know that I am deeply critical of the CAP and fought very hard to get changes made to it. Will he also accept that I was talking about temporary aid to an industry that has costs imposed on it in the United Kingdom that all our competitors do not have?

Sir Teddy Taylor: It is wonderful to hear my right hon. Friend saying that he is critical of the CAP. That is

a fat lot of good. Having voted for all the treaties and the money, we are stuck with it. It is all very well saying that we want to reform the CAP—I hear this from farmers themselves—but it cannot be changed. People should realise that there is no way in which the CAP will be reformed; the countries of Europe will never sit in a corner and say that they would like to change it. If we pretend that we will solve the problems with subsidies, we are insulting the farmers and the taxpayer.

I was interested to hear the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), who is clever, a senior member of his party and, unlike most of my hon. Friends and myself, very wise—one can tell just by looking at him—say that we should join the single currency earlier than proposed. I ask him honestly whether he has ever found a single currency that has worked. All of them have ended up causing mass unemployment, misery and distress. There have been 11 previous examples in the world, including two in Europe—the Scandinavian and the Latin currency unions. The tragedy is that every one collapsed. A single currency cannot work unless, as in the United States, there is one Government, one Treasury and a feeling of nationhood.

The right hon. Member for Ashton-under-Lyne talked nonsense about the horror of the Bank of England bothering more about property prices in the south than industry in the north. If that is a problem, what the blazes will it be like in a united Europe?

I had the pleasure of seeing that nice Mr. Duisenberg—I have seen him twice now—just a few weeks ago. He was saying that the single currency was a terrible problem for him. He said, "What can I do? I have people in Ireland and Spain asking me please to calm things down, but people in Germany and Italy wanting me to boost proceedings." That simply cannot work.

The right hon. Member for Ashton-under-Lyne talked of the need for us all to join the single currency. What has happened to the two countries that said no? I was present for the referendums; the people of Norway and Switzerland displayed a courage that we and other countries did not. Posters, paid for by the right hon. Gentleman's fat, rich friends, said that the countries must join or jobs and trade would be destroyed. Norway and Switzerland have the lowest rates of unemployment in Europe, while countries such as Germany, Italy and France are suffering economic nightmares.

When I was over in Germany seeing the Central Bank, I heard business men saying, "We have a rubbish Government." I said that I was very sorry about that, but they replied, "The Opposition are rubbish as well." They said that the parties were not being kind to business, but that once they had the single currency their problems would disappear.

I saw people who represent the French equivalent of the CBI—one of my hon. Friends on the Front Bench was there, too. They were delightful people; they drank a great deal. They told me, "We have a mad Government." I said, "I am terribly sorry; it's not my fault." They explained that their Government were introducing a 35-hour week, which will destroy jobs, but that, once there is a single currency, such action will not be allowed. I am afraid that people are kidding themselves, in a mad way, that the single currency will work.

The best guidance of all is in a wonderful speech by Mr. Duisenberg, who is such a nice, courteous man. He said:

"The process of monetary union goes hand in hand, must go hand in hand, with political integration and ultimately political union. EMU is, and always was meant to be, a stepping stone on the way to a united Europe."

Mr. Sheldon: I did not like to intervene, given the shortage of time, but the hon. Gentleman has referred to me so frequently that I must do so. Can he devise a system whereby a single currency, to which all the countries of Europe are committing themselves, would collapse or be allowed to collapse? If he cannot, what are we doing out of it?

Sir Teddy Taylor: If the single currency is to collapse, it would not be a very good thing to join it. I am not trying to be clever. I have studied all previous single currencies, and the same things have always happened. One area does very well, one does very badly, and people march on the streets and become agitated. Let us remember that there is no democracy or mechanism by which we may express views through elections because, as we know, the "democratic" institutions in Europe are basically irrelevant. What can one do? The right hon. Gentleman may say that that is just silly, but let us consider what the markets say.

The right hon. Member for Ashton-under-Lyne may have been present when we were told on one occasion that the euro would go like a rocket. Yesterday, it was at an all-time low against the pound, having fallen from a value of 71p to 63p, which is a substantial drop. Although that may change, let us consider long-term interest rates. What about things called 20-year bonds, by which clever people with money, unlike myself, indicate what they think will happen? Why are the 20-year British interest rates far lower than those in Germany or France? The simple reason is that people on the money markets have confidence in a British currency, but not in the European one.

I am not merely getting my views across; I am genuinely concerned about what will happen to people, jobs and prosperity in Europe. It will not be nice for us. Before the right hon. Member for Ashton-under-Lyne becomes too optimistic and too sure about the single currency, he should ask himself why such a currency has never worked and whether it is possible to harmonise the economies of Europe.

Owing, as I am sure my right hon. and hon. Friends on the Front Bench would say, to the achievements of the previous Conservative Government, or, as Labour Members would say, to the great achievements of the Labour Government, our taxes are much lower in Britain—about 36 per cent. of gross national product, in comparison with the European average of 44 per cent. How the blazes will we harmonise economies? Inevitably, some areas will prosper, some will suffer and the poor bank in the middle will not know what to do. The single currency cannot work. It has never worked before, and an awful lot of people will suffer as a consequence of it.

I had not meant to talk about such things, but they must be said. I hope that the Government will appreciate that there are two points of view. I have seen Government after Government of different parties say that they are not doing well in Europe, but that if they show good will and

[Sir Teddy Taylor]

take a further step, somehow things will improve. Every further step has failed to help anyone, including farmers, who are ruined despite massive expenditure.

Will the Treasury think carefully about the considerable cost of all the massive quangos that it is setting up? I am thinking of three, but will mention just one: the Financial Services Authority. It strikes me as an enormous organisation, which has massive power. It is making life impossible for people in the private sector. I have been in touch with its chairman about individual cases. The expenditure involved in continuing to send stuff in the post worries me. I am sure that other hon. Members receive it, too; I keep wondering why.

Yesterday, the great organisation sent the following fascinating information:

"A recent survey showed 500,000 households have endowment mortgages which would not pay for their homes."

That is a clear statement. On the same day, I received wonderful information in a very reliable magazine that is published by the insurance industry. It said:

"We have no record of any Low Cost or Full endowment failing to achieve its objectives over the short or long term. Indeed the longer the term the better the prospects. There are dozens of case studies that show multiples of two . . . why the media hysteria? What is the PIA concerned about Endowments for?"

The basic argument is that the FSA has obliged companies to present policies on a 6 per cent. yield—the yield is usually 12 or 14 per cent.

Such events have caused a great deal of alarm among some of my constituents. They have come to my surgeries to tell me that they have such endowment mortgages and that the news is terrible. It worries me that supposedly reputable organisations, which are sited in huge offices, employ a multitude of staff and spend a fortune, make statements that cannot be true. Either it is true that 500,000 people are in a mess, or nobody is in a mess. Issuing such statements is not sensible. I would like to think that such organisations were more sensible.

The report of the Primarolo group on the code of conduct on business taxes, which operates strongly in Europe, worries me a great deal. I serve on the Treasury Committee, which is basically a waste of time—all those who are involved in it know that to be so. We ask many questions and talk about many things, but say nothing at all. However, we are producing a detailed report on the code of conduct in Europe.

We asked the Paymaster General for a copy of the report but were told that it was terribly secret and that no one was allowed to see it. I then simply phoned a bloke in Stroud, who then rang the European Commission, and we received a copy the next day. What worries me is that that sort of thing is happening all the time.

The final report has just been issued and will be considered by the Council on 29 November. I have a copy of it in my hand, yet we are told that we cannot have it because it is secret. I feel that something very nasty is happening, because the report states clearly and precisely that although the Government accept that

"these territories have tax autonomy, the United Kingdom has undertaken to make the code of conduct principles apply there."

There have been many recommendations for the Channel Islands, and the people there are worried. There have also been recommendations for Gibraltar and the Isle of Man. Why on earth can we not get the information, when it is readily available to anyone who telephones the Commission and asks for it?

More important, the Channel Islands are not represented in this place. What can we say to the people there, who had the clearest assurances in the protocol to the treaty of Rome that the islands were excluded from the European Economic Community and did not have to pay charges and taxes decided by anyone else? The Government have apparently decided to make the principles apply in the Isle of Man and the Channel Islands.

What powers does the Minister think that she has? The treaty of Rome exempts the Channel Islands from the European Union and the imposition of taxes. The provision is clear and precise—it is in the treaty in black and white—yet the Minister says, "I'm going to force these changes on the islands."

If we cannot get the report until it is all agreed—

Mr. Deputy Speaker: Order. The hon. Gentleman's time is up.

6.1 pm

Ms Harriet Harman (Camberwell and Peckham): In this debate on the economy, I want to highlight the fact that the success of our economy depends to a great extent on the skills, creativity and capacity of our people. That is something which, over the years, my right hon. Friend the Chancellor has addressed—indeed, he addressed it this afternoon when he talked about the working families tax credit, the minimum wage and, above all, the new deal.

Whereas our economy used to depend on land and then on machinery, it now depends on what, in economic debates, we have come to call human capital. Therefore the family, where that human capital is nurtured, is critical to the economy. The issues that I want to raise tonight—the questions of work and the family—lie at the interface between economic and social policy.

The Government are determined to deliver a stable and growing economy. They want to support families, they want to tackle the problems of workless households, they want to tackle social exclusion, they are pledged to end child poverty, and they want equality of opportunity for women. The question of how families balance their work and their home commitments is central to delivering on all those issues.

There have been huge changes, both in the family and in the workplace. One of the most stunning changes is in the way children are being brought up. My generation were brought up by mothers who, for the most part, stayed at home when we were young. If our mothers did return to work, it was when the youngest child had started school. That has changed: mothers are redefining motherhood to be about providing for their children as well as caring for them. Now, most children are being brought up in families where both parents work, or by a working lone mother.

We know that the economy needs those women's work. We also know that the income coming into the household depends, to a great extent, on women's work. However, we should be concerned about the effect on children when they swap a mother who stays at home for one who goes out to work as well. That is why, through the Smith

Institute, I commissioned Heather Joshi to carry out longitudinal research into the effect on children of their mothers working when they were young.

The findings show the importance of giving mothers more choice about when and how they return to work after having a baby. No research should tell a mother what to do, but those research findings, which echo United States research, should inform our public policy. Following publication of the research, my postbag showed that real choice is what women want more than anything, especially when their babies are under 12 months old.

That is why I very much welcome the Chancellor's statement in paragraph 5.27 of the pre-Budget report:

"The Government will also examine whether the Working Families' Tax Credit or other measures can give additional help to the mother who wishes to stay at home in the first months after her child is born."

That is also why I call on the Government today to establish a new deal for families. The Government have already laid the foundations for such a move. The minimum wage and the working families tax credit are not just economic policy, they are family policy.

Mr. Bercow: I am listening intently to what the right hon. Lady is saying about the working families tax credit. Does she regard it as satisfactory that, because of the tapering of the child care element, in some cases people face a marginal tax rate as high as 46 per cent?

Ms Harman: For parents in my constituency, the working families tax credit, which is just being introduced, will make a huge difference to low-income families who are in work but have not been well-off. Even more importantly, for many families it will make work pay. Not only will there be more income going into the household, we will not have the problem of children being brought up in households where no one is working—where they see a life of dependence on benefits and never understand the world of work. That is the principal objective of the working families tax credit, and one that I am certain it will meet. We are only just bringing the measure in, and of course it will be under constant review, but both the principle and the practice are important. It is disappointing, although predictable, that the Opposition Front-Bench spokesmen will not say whether they would abolish it.

The minimum wage and the working families tax credit are, as I have said, not just economic policy. The reason they are also family policy is because they mean that fathers and mothers will not have to work all hours just to make ends meet. The Chancellor has ensured the investment of hundreds of millions of pounds in the national child care strategy. The right to parental leave will, for the first time, give parents the right to take time off work when their children are ill.

The foundations have already been laid and the process of change is under way, but that needs to continue on the basis of partnership. There must be partnership between different Departments, especially between, on the one hand, the economic Departments—the Treasury and the Department of Trade and Industry—and on the other, the so-called social policy Departments—the Home Office, the Department of Social Security and the Department for Education and Employment.

We need that partnership between Departments, but we also need a partnership between Government and business, especially small business. A minority of businesses remains opposed to any legislative change on principle, but I recognise that many businesses that are not opposed to the change in principle are none the less wary about their ability to cope with the pace of change. They already feel that they are coping with a lot because of the working time regulations, the introduction of working families tax credit, and the parental leave regulations. Government must play a role in ensuring that patterns of work change to recognise that women have family as well as work responsibilities. However, they must make those changes in a way that makes it as easy as possible for business, especially small business, to adapt.

We should learn from our experience of what works, such as the successful introduction of the minimum wage. Unfortunately, that is yet another issue on which we have heard no views this afternoon from those on the Opposition Front Bench. However, I believe that the minimum wage has been introduced successfully. As shadow employment spokesperson in opposition, when I took over responsibility for that portfolio I was faced by business wanting no legal minimum wage and by trade unions wanting a minimum wage at what I believed was an unrealistic rate. By establishing the policy of the Low Pay Commission, I made it clear that our objective involved business and unions working in partnership to agree on how that objective should be put into practice.

We should do the same with the new deal for families. We should make clear our objectives and our determination to make changes, but, as with the other new deals, involve business and unions in partnership to deliver the changes in the workplace that families need. A new deal for families could consider what can best be done by example, good practice and persuasion; what will need to be done by legislating for minimum standards; where Government financial support is necessary for employees or employers; and how we can use the partnership funds under the Employment Relations Act 1999 to pioneer new family friendly working.

A strong partnership could set a radical modern agenda to establish a workplace and a work force fit for the next century. I shall identify some areas where I think that a new deal for families could deliver change. No one really thinks that a woman should have to return to work when their baby is only 18 weeks old, yet financial support to replace a mother's earnings lasts for only 18 weeks. That limit was set in 1953 and it needs to be updated. I think that we should extend it for the first 12 months of a baby's life, at the very least for low-income families.

No one would argue that a woman should have to return to work when her baby is only six months old. However, maternity leave lasts for only six months. We should extend that, too, to 12 months. No one would argue either that nothing changes when a woman has a child, yet a woman has to return to her full-time job as though nothing has happened, when for her the whole world has changed. I think that the mother should have the right to return to work part-time if she wants to, as the Employment Committee recommended in its important report on part-time working.

No one would argue that the new right to parental leave should be only for the better off. I think that we should pay parental leave, which would implement a recommendation of the important report of the Select Committee on Social Security on parental leave. We should do that at least for low-income families.

[Ms Harman]

We are putting millions of pounds into our radical reform programme for welfare to work, our hospitals and our schools, and that is right. However, it is time that we had substantial investment and radical reform of our maternity provision. I am talking not about public services, but about mothers who are part of the labour market but still the centre of their families. The work force has changed, our economy has changed and it is time that our maternity provision was changed too.

I propose that the new rights to parental leave and any further changes that we make should be carefully and independently monitored to ensure that we understand how they are helping families to cope with their work and home responsibilities. We should also understand how business is coping with the changes. It is not good government to legislate, even with the best of intentions, and then walk away and leave everyone else to get on with it. The Family and Parenting Institute, to be launched next week, could play a key role in this.

I argue for a new deal for families that works across both economic and social policy and in partnership with business and unions. It could modernise public policy to ensure that both our economy and our children thrive.

6.12 pm

Mr. Richard Page (South-West Hertfordshire): It is a sad but well-known fact that, when anyone becomes a Member of Parliament, he or she loses one ability and gains another. First, they lose the ability to say, "Sorry, I made a mistake. I apologise." Secondly, they try to grab any form of advantage and claim credit for it, even though they have little or no ownership of it.

The examples are numerous. The classic one is when Lord Lawson as Chancellor of the Exchequer had the economy literally in his hands. He pumped money into it and the public went on a spending spree as if there were no tomorrow. They were aided and abetted by the banks and building societies, which gave mortgages of 100 per cent. or even 110 or 120 per cent. We know what happened. The tales of woe were legion and we had negative equity.

I followed with interest what the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) said about interest rates and the effect that they are having on house purchases. In London, prices are going through the roof. I read in this evening's newspaper that they have increased by more than 30 per cent. this year.

That is one side of the coin. The right hon. Gentleman did not speak of the other, which is the effect that interest rates have vis-a-vis overseas competition and what that is doing to our exporters and our manufacturers. This is a problem that the Chancellor has to face, and I have some sympathy for him. However, when Lord Lawson was doing what he was doing and when the results became clear, I think that a few sorrys should have been expressed, just as they should have been when we ceased shadowing the deutschmark.

I have no objection to shadowing the deutschmark provided that we have the same productivity and efficiencies as Germany. However we were not in that position then and the results were inevitable. It was clear that it would all end in tears, and it did. I am a little worried that the same will happen tomorrow.

Following those setbacks, it was to the considerable credit of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and my right hon. Friend the Member for Henley (Mr. Heseltine) that they formulated and followed sensible policies to address them. My right hon. and learned Friend controlled public expenditure rigorously and controlled interest rates, and my right hon. Friend the Member for Henley launched an annual White Paper on competition and competitiveness. He addressed the issue and showed just how far we were behind some other countries, notably Germany and the United States. He also tackled our rates of efficiency and productivity and, as a result, they started to increase and we began to record some significant improvements.

We left a golden legacy to the Labour Government in May 1997. The success of the economy since then owes a great deal to the work of my two right hon. Friends. The Government too often forget that the economic strategy of the Conservative Government has underlain the low inflation and falling unemployment that we have enjoyed over the past two and a half years.

The Prime Minister and the Chancellor of the Exchequer both claim credit for the present state of the economy. Of course, there is an element of schizophrenia involved. On the one hand, it is said that the Government have followed Conservative spending policies—that is cited almost as a mantra when there are any complaints about whether enough money is going into one sector or another. On the other, the Government claim credit for a huge and novel economic success.

I know that the Government have been very good at introducing stealth taxes. I shall not go through the figures again and again—

Mr. Fallon: Why not?

Mr. Page: I shall not do so because they have been put on to the record and, to answer my hon. Friend, because I have only five more minutes to complete my speech.

Mr. Ronnie Campbell (Blyth Valley): Will the hon. Gentleman give way?

Mr. Page: I shall not give way to the hon. Gentleman because of that shortage of time—it is moving against us.

The stealth tax figures have been endorsed by the Library and by the British Chambers of Commerce. We can see the regulatory burdens that are being imposed on small businesses.

I am worried that a rich legacy is in danger of being squandered. The excessively high rate for sterling via-a-vis our overseas competition means that our foreign competitors inside and outside the European Union are finding it easier to sell to us while our exporters are finding it harder to sell to them. I shall not read out the entire press release from the EEF/Robson Rhodes third quarter *Business Trends Survey* report, but the headline is, "Pound still too strong for exports". A number of people are saying that as well as myself. Countries such as Germany are able to secure productivity gains without suffering adverse effects on their currencies.

With our exchange rates, we know that our markets are more open to other countries' exporters without us enjoying that comparable benefit. Of course, that is not true for all EU countries. Some of them are not

experiencing productivity gains, and that will build up huge tensions within the euro zone. That problem will have to be resolved in some way or another. That being so, I think that it is exceedingly wise to resist the blandishments to go rushing in at this stage. Let us stand back and wait to see how the tensions will be released. We should certainly spend some time looking at our own economic cycle before even considering getting involved in the euro.

I do not think that the Government have been able to tackle the significant and difficult problems that we have had with our service and manufacturing sectors. There are DM3 and 10 pfennigs, or nearly 10 pfennigs, to the pound. It was a figure way over that which turfed us out of the exchange rate mechanism. It is not surprising that, over the past 12 months, we have seen the loss of 157,000 manufacturing jobs. No productivity gain and no improved cost controls in manufacturing can compensate for that loss. I well remember the Labour party criticising the Conservative Government in the early 1980s over manufacturing losses. A few "sorrys" from Labour Members are due now to those who have lost their jobs in manufacturing. Certain hon. Members, on the Government Benches in particular, know what is going on in their constituencies and are desperately worried about how to make some form of recompense or offer alternative employment to those who have lost their jobs.

The managing director of Nissan UK was quoted in *The Sunday Times* as saying:

"The UK is uncompetitive at these"—

current—

"exchange rates."

It is difficult to believe that our present position is sustainable. I hope that it is, but I worry that it is not. Exporters are bearing losses and holding down overseas prices, using hedging techniques to hold on to markets, as well as shedding employees. That process cannot go on indefinitely. Some adjustment is necessary, and I suspect that it may be earlier, rather than later.

It is not just manufacturing industry that is facing problems. We must consider what is happening to small firms. As a former Minister with responsibility for small businesses, I know how important they are to the economy. We have witnessed the failure of the much-vaunted statutory right on late payment. It does not seem to have done the trick, although I would love it to solve the problems. We did not believe that it would be practical and sadly, that seems to be the case.

Small businesses have learned from the experience of extra regulation, compulsory union recognition and all the other burdens imposed on them. The Forum of Private Business estimates that, on average, an extra £4,500 is needed each year to meet the cost of red tape.

I was glad to learn that the Government will introduce a Bill to enable the Post Office to improve its services and to compete more effectively, both domestically and overseas. Post Office reform will help to build a "knowledge-based economy", harnessing new technology, according to the Prime Minister a week ago.

I fully support a more competitive Post Office, but it cannot be a truly competitive player domestically until it, too, faces free competition in its protected UK market, and until its accounts are subject to independent regulation, so profits from its monopoly sector may continue to be seen to cross-subsidise competitive activities against its private sector rivals. That cannot be fair.

The Post Office should be set free to compete internationally. I do not believe that what the Government propose will let the Post Office be a world player. It will not be enough to allow the Post Office to invest or to borrow up to £75 million a year at commercial rates to make financial purchases. Last year, buying the third largest parcel carrier in Germany cost between £200 million and £300 million. We know that the Post Office cannot buy a significant player on the continent or in the United States with an annual sum of £75 million.

I welcome the announcement in the press release that

"the Government further pledged that it will approve commercially robust proposals from The Post Office for larger investments in projects within the scope of The Post Office's strategic plan."

Part of me welcomes that, but it also sends a shudder down my spine. We are back to politicians trying to second-guess how an industry should be run. We must not forget that, in the early 1980s, the nationalised industries had their hand in the taxpayer's pocket for £50 million every week. When those industries were privatised and went out into the free market, they paid into the Exchequer £50 million every week. I do not believe that the Government breathing down the neck of the Post Office is the way forward.

The Post Office has been a political football for years. It is time to set it free in the same way as BT. For example, we must consider how the Post Office can compete against Bundespost, which is buying up company after company while under Government protection, so that, when it is privatised, it will be a global player.

When we privatised BT, we stole a march on the German telecom business. The Germans have made up their minds that they will not allow the same thing to happen to their postal service and, unless we get our Post Office geared up and in a powerful enough position to have relationships with overseas countries and companies, we will be in trouble.

In an Adjournment debate on the subject, the then Minister of State, Department of Trade and Industry, the right hon. Member for Makerfield (Mr. McCartney) rightly teased me about the amount of money that the Government took from the Post Office just before the last election. That was a temporary measure, and on the assumption that we would be successful, we intended to return to the question of Post Office privatisation after the election.

I sincerely hope that the Government will have second thoughts on support for the Post Office, and that they will cut the umbilical cord and set it free commercially in the market. The Government's approach shows that they are not learning lessons from the past. They believe that with a few slick phrases and a word in the ear of media editors, everything will be all right—a bit of spin will do the job of government and keep the public quiet. From the point of view of small firms and manufacturing, I wonder whether that will be the case.

6.27 pm

Mr. Tom Clarke (Coatbridge and Chryston): Last year at this time, during a similar debate on the Queen's Speech, some of us spoke against the backdrop of the

[Mr. Tom Clarke]

global economic crisis. It was a deeply worrying time. The integrated nature of a modern global economy meant that the shocks in Russia and Asia had a real impact, especially in terms of investment and jobs, on us, too, in the United Kingdom.

Since the height of the financial instability in September 1998, the Government and many other Governments throughout the world have taken decisive action by putting in place new long-term disciplines—indeed, a new financial architecture—to promote greater economic stability throughout the world.

Significant progress has been made. Reform, based on transparency and accountability, has begun to restore confidence in the stability of the global economy that was lost over the past couple of years. Growth prospects across the world, based on sound foundations, are now substantially better than they appeared even a few months ago.

Only last week, China agreed to a package of trade liberalisation measures that will provide even greater trade opportunities to the west. The opening up of the world's largest potential market is, of course, welcome, but those opportunities should not be reserved solely for the west and the other countries in the developed world. Those opportunities should be available to all, particularly those in the developing world, many of whom feel left behind in the rapid development of the global economy.

Plainly, past policies on trade and investment have been accompanied by increasing disparities between rich and poor, both between and within countries. True, there has been a huge growth in global wealth and consumption, which we welcome, but that does not tell us the full story. Many within developed countries have bathed in the fruits of the new global economy, but millions upon millions of people today live in avoidable poverty, in part because of their inability to develop their economies. That remains a major international challenge, and a challenge to us all. We simply cannot continue to live with a situation where, globally, 20 per cent. of the world's people in the highest income countries account for a massive 86 per cent. of total private consumption expenditure, and the poorest 20 per cent., a minuscule 1.3 per cent.

The facts are simply devastating and I am glad that they are being addressed in the Queen's Speech as well as in the Government's approach to the global economy. That is necessary. The least developed countries have seen their share of exports decline to a tiny 0.4 per cent. during the past 20 years, while, on the other hand, the United States and the European Union, containing roughly the same number of people, account for nearly 50 per cent. of the world's exports. We cannot, in all conscience, allow that trend to continue unchallenged, and I am glad that the Government see the need to respond. That is why I am genuinely delighted that the Chancellor in particular has acted on those appalling statistics. The debt relief measures initiated by the Government have, for me, been the highlight of their term so far, and they deserve to be warmly congratulated.

I am sure that the Chancellor would agree that there is no room for complacency. In the *New Statesman* recently, I wrote:

"Fundamental to the whole package are the contributions of the USA . . . the Republican dominated House of Representatives may not agree to President Clinton's request for funds for debt relief."

Sadly, since I wrote that article, we heard only last week that that is precisely what has happened. I know that the House, and particularly the Chancellor—I am glad to praise him in his presence, as I did in his absence—will agree that the Government should continue to work with the United States and President Clinton to resolve this unfortunate impasse. Progress is being made, and the Chancellor will know that he has the support of the House in his efforts to obtain relief for the debt crisis which he has so courageously addressed since taking office.

Trade, in tandem with debt relief, can be a powerful tool in combating poverty and aiding development in the poorest countries, because investment in the developing world is crucial in promoting the economic growth that is needed to eliminate that unacceptable poverty. Until the world trade playing field is levelled out for the benefit of developing countries, I fear that spectacular achievements on debt relief will simply be tarnished. For that to take place, developed countries must also understand the practical problems that developing countries face. I strongly believe that it is up to the developed world to take a lead in improving market access for those developing countries. Consistent with that, I am pleased that the EU has proposed committing more resources to improve the market access for developing countries to take advantage of trade opportunities and participate fully in the world economy. That is as it should be.

As the House will know, one of the main problems in the past has been that policy making has been fragmented, and organisations such as the International Monetary Fund, the World Bank and the World Trade Organisation, have often operated with separate agendas. Some of us have long argued that the international bodies responsible for global financial supervision should work together more effectively.

We all look forward to next week's WTO ministerial meeting in Seattle, and the Government have our support when pressing for a new initiative led by the World bank and the WTO, involving the IMF, to ensure more and more effective trade-related assistance to developing countries, and to improve coherence in global economic policy making.

The closer relationship between those bodies in responding to the needs of the poorest and most vulnerable is a hugely important development in its own right, and provides a strengthened opportunity to make a real impact on complete poverty eradication. The Seattle ministerial conference presents a key opportunity for our Government—one which I believe that they will grasp—to take a lead in shaping trade regulations to the benefit of the many in the third world. Ministers' decisions will have significant implications for poor people whose lives are increasingly affected by multilateral trade rules and commitments. It is therefore vital that, among the many areas of debate, there is a real and proper focus on the relationship between trade and development.

I passionately believe that the trend towards rising inequality and marginalisation of the world's poorest people and countries from the benefits of international trade must simply be reversed. I believe, too, that the real challenge for the WTO is to design international trade rules so that they contribute to sustainable development and generate benefits for the world's poor. Therefore, I particularly welcome the call made by my right

hon. Friend the Secretary of State for International Development for the forthcoming negotiations to have that development focus, especially when we consider that developing countries account for four fifths of WTO members.

Many poor countries feel that the Uruguay round—the previous big trade round—has brought them few economic benefits and has left them struggling to catch up with the developing world. It is there that we must be seen to be offering hope, inspiration and a practical response to the demands that exist. Economic liberalisation can have a positive impact on economic growth, but where it is carried out too quickly, or without a proper understanding of economies, the results can be negative—the opposite of our worthy intentions.

As many now acknowledge, a sound global economy depends crucially on social systems that build social cohesion, alleviating poverty among the most vulnerable. We must implement reforms to ensure that the benefits and opportunities of the global economy can be shared by all. In setting their global priorities, Her Majesty's Government have made a most admirable beginning.

6.39 pm

Mr. Paul Tyler (North Cornwall): It is now 25 years since I was first elected to the House, although I immediately acknowledge that you, Mr. Deputy Speaker, and other hon. Members, have had a much more distinguished and continuous service to the House. It is tempting to look back to see how little seems to have changed. In 1974, the Conservative party was spectacularly split over Europe, so nothing has changed there. The larger group was then sane, but the lunatics have taken over the asylum, as I think that the right hon. Member for Huntingdon (Mr. Major) would now acknowledge. Similarly, the term "sleaze" had not been invented 25 years ago, but there was a feeling that the Tories had gone stale in office. We all know what happens to a product that goes stale—it starts to smell unpleasantly. Although the sleaze was not of Archer, Hamilton or Ashcroft proportions, it was nevertheless serious.

Equally, the new Labour Government of 1974 were quickly perceived to have run out of steam. They were so desperate to win power that they invested little time or imagination in working out what they wanted to do with it. That applied especially to economic policy and is thus relevant to the debate. The Wilson Government were widely perceived to be more interested in managing the economy better than their predecessors than in managing it differently, or in creating radical economic reform, much to the consternation of many of its active members in the country. I suspect that that is also a general feeling today. The Wilson Government failed to pursue the redistributive fiscal policy that had been promised in the election campaign.

I remember the queues of pig farmers who came to my advice surgery in 1974 and were constantly on the phone complaining about the mess left by the outgoing Tory Government. I also remember that a certain Mr. Jeffrey Archer left this place under a cloud. It may seem as if nothing much has changed in 25 years.

Mr. Garnier: Will the hon. Gentleman give way?

Mr. Tyler: No. There is limited time and I want to make progress towards the substance of the debate.

There are important differences between the Labour Government of 1974 and the current Government. The Government should claim without apology that their cross-party consultation on constitutional reform has been a success. I regret that such consultation has not extended to other policy matters.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Gentleman has mentioned economic policy; he should stick to that tonight. If he considers other subjects, I shall have to call him to order.

Mr. Tyler: I am grateful for that guidance. Other hon. Members have related subjects such as support for single mothers, agriculture, and trade—about which the right hon. Member for Coatbridge and Chryston (Mr. Clarke) spoke—to the economy. I propose to do that as well.

Liberal Democrat Members were pleased when the Government poached our policy on the independence of the Bank of England. The Chancellor opposed that central economic policy when in opposition, yet it was taken up as part of the new Government's policy. We do not mind our clothes being stolen in that way. However, the Government's timidity in some parts of their economic policy has returned to haunt them. That is evident in their attitude to the role of the privatised utilities in the national economy.

In the last Parliament, my predecessor as transport spokesman and I tried to persuade Labour party spokesmen that, if the Conservatives insisted on privatising Railtrack, it was vital, for economic as well as other reasons, that the Labour party should be committed to buying back a controlling interest of 51 per cent., with no profit and a bond scheme. If that had happened, Railtrack would probably not have been sold and the crazy profiteering that we have witnessed would not have happened. We argued on grounds of safety, investment and economic co-ordination. Unfortunately, the Labour party was so scared of the nationalisation tag that it did not respond, and the Government did not put in place the broad-based economic strategy that they should have devised. In the aftermath of Paddington, the Deputy Prime Minister is probably not the only member of the Labour party who regrets not having the courage of our convictions.

There were signs early in the Parliament that Ministers were listening. Some would complain that they listened to the wrong people—middle England tax cutters rather than the old, the disabled and the excluded. However, despite their large majority, they at least pretended that they were not omniscient as well as omnipotent. We may worry that they took the wrong message from their listening, but at least they seemed to be trying to identify new, important priorities in economic policy and to leave the insulated bunker of their Tory predecessors. It was unfortunate that, during their first two years in office, they failed to break out of the spending straitjacket that they inherited in the Treasury cupboard.

We are now halfway through the Parliament. In its early stages, there was a real attempt to introduce a different sort of government, especially in economic policy. The Prime Minister seemed genuinely to favour a pluralist approach rather the sterile, "my party, right or wrong" attitude of the past. There has been an interesting consensus in the Chamber this evening on the role of the

[Mr. Tyler]

World Trade Organisation and our objectives for the Seattle talks next week, and on the importance of the euro, to which the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) referred earlier. I welcome that. It is important that we can agree on objectives and major policy issues across the Chamber. That is what Parliament should be about. Sadly, there are signs that we may slip back to the aggressive, confrontational, Punch and Judy politics to which we became accustomed in the previous 25 years.

Parts of the legislative programme seem designed more to appeal to the Labour party's vested interests than to modernise our economy and communities for the 21st century. I do not apologise for referring to the deepening crisis in the countryside, mentioned by the right hon. Member for South Norfolk (Mr. MacGregor). It is important that every part of the economy—urban and rural—fulfils its potential. It is depressing that the only measures that will affect the countryside are irrelevant to the deep-seated crisis that the whole rural economy suffers. The measures on the right to roam, the pesticide tax and foxhunting are not vital. Anyone who knows what goes on in the countryside must recognise that. Those issues are not central to addressing the calamity that has befallen employment and businesses in the countryside.

One of the few brighter spots in the continuing decline of the rural economy is the belated recognition that it is an essential, integral part of the national economy. The contribution of the right hon. Member for South Norfolk, and his exchanges with the hon. Member for Rochford and Southend, East (Sir T. Taylor), referred to that. The previous Government failed to respond to our forecast that some parts of agriculture could not survive if the playing field remained so uneven, and our competitors on the continent and elsewhere continued to have such a huge advantage in balance of trade. That applies especially to pork and pigmeat products. I gave that warning in the last Parliament and Conservative Ministers ignored it. Imports of pigmeat products are now at record levels. The Meat and Livestock Commission recently announced an increase of 40 per cent. in ham imports in the first six months of this year. As everyone knows, overseas suppliers do not insist on the same public health and animal welfare standards as Britain. The right hon. Member for South Norfolk was right to identify that major crisis in the economy.

Mr. Deputy Speaker: Order. The hon. Gentleman is considering agricultural matters when our debate is on the economy. He must confine his speech to the economy.

Mr. Tyler: I acknowledge what you say, Mr. Deputy Speaker, but the right hon. Member for South Norfolk talked about agriculture as an issue that affects the economy. I am sure that you agree that the rural economy is an important component of the national economy. If farmers in my constituency and in that of the right hon. Member for South Norfolk—

Mr. Deputy Speaker: Order. The hon. Gentleman knows that I came to the Chair not long ago. I cannot be held responsible for the words of hon. Members when I was not in the Chair. I suggest to the hon. Gentleman that he can mention in passing that agriculture has an effect on our economy, but that he cannot go into detail about animal welfare and farmers' problems, serious as they are.

Mr. Tyler: I am grateful to you, Mr. Deputy Speaker. I hope that, with equal liberal latitude, you will recognise that there have been interventions in my speech.

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman does not refer to my interventions because there is no injury time for those.

Mr. Tyler: I do not know how to react to that one, Mr. Deputy Speaker.

I want to emphasise that massive and devastating effects on the balance of trade resulting from a big increase in food imports to this country have major economic implications, and anybody who has watched what has been happening to the food industry and agricultural production must recognise that that is a real threat. The balance of trade and the balance of payments are important to the future health of our economy, but I do not want to labour the point.

I want to emphasise the importance of the immediate economic effect of those trends on local economies in sensitive parts of the country. Unfortunately, such areas—Northern Ireland, rural Scotland outside the central belt, the Pennines and mid-west of England and my own county of Cornwall and the south-west, for example—tend to have high unemployment and do not have wide opportunities for economic diversification. Those businesses that are supplying and supplied by agriculture and horticulture are still suffering the after-effects of the BSE crisis, which has also had a major effect on the health of the national economy.

Areas that have already been identified as being in need of economic support—they have objective 1 or objective 2 status under the new European Union structural funds—will need to know soon whether the Government are able to ensure matching funding so that they can take up that support. Without that guarantee, the new programme could fail as badly as the old objective 5b process has under the present regime.

If our national economy is to operate at its optimum level of activity and sustained growth, each sector and each geographical area must be enabled to perform to its full potential. Keeping the lid on the inflationary pressures in the south-east—hon. Members may have seen the report in tonight's *Evening Standard* that house prices in London are going through the roof—simply cannot be allowed to divert attention from the real problems of many areas of the country outside London and the south-east. If we have a macro-economic policy that does not recognise the need for diversification of the economic approach to those issues, some of the more remote parts of Britain will have great difficulty in escaping further recession.

The list of Bills in the Queen's Speech looks much more like end-of-term tinkering than serious reform. Where have all the radicals gone? Are they clearing the decks? Are we seeing preparatory moves for the general election? If so, that will indeed be a final irony. By behaving like an insulated and insular Government who are not prepared to listen to other parts of the country with other points of view—rather than by being pluralist—and by not being prepared to cross the party divide to seek

consensus, the Government will start to look like the old-style party cliques that they thought they had left behind. That, indeed, could lose them power at the general election.

6.53 pm

Mr. Doug Henderson (Newcastle upon Tyne, North): I may not endear myself to my hon. Friends, but I have to confess to feeling a trifle sorry for the right hon. Member for Horsham (Mr. Maude), who, for the second time in a couple of weeks, presented the case for Conservative economic policy. He knew that he was batting on an appalling wicket and, when I looked at the expressions on the faces of the Conservative Members sitting behind him, I was not sure that they were confident that he would produce a terribly good innings even on a good wicket.

The appalling wicket that the right hon. Gentleman has inherited was laid out by the Conservative party, which seems to be remote, out of touch, lacking in economic direction and withdrawn into itself. It must be painful for the more sensitive members of the Conservative party to be told time and again by business men and women who perhaps do not like what the Government are doing that they like even less what is being said by those at the Conservatives' end of the political spectrum. I find that extremely strange. The Conservative party is more remote from business than at any other time in my political life.

My right hon. Friend the Chancellor is batting on a good wicket and he is largely responsible for its preparation. He is on a strong wicket in respect of tackling inflation and building output, and that strong wicket has allowed other Ministers to undertake essential spending on health and education, which are crucial to any sense of social justice in this country. Without social justice, we can never expect to command the full support of the people. That strong wicket has also brought down unemployment to the levels of 20 years ago.

It is not in my character to spend my allocated time eulogising my right hon. Friend, and I do not propose to do that, but I want to place on record that I think that he has been sound, innovative and prudent in running our economy. The difficulty is that economic activity is not spread evenly. That problem is not new—it has existed for perhaps 70 years and more—and there have been endless Government and independent inquiries into the regional issue over a long period. Many Government measures, initiated by both principal parties in the House and sometimes supported by the other parties, followed those inquiries, but, despite all the concern about regional policy and the measures taken on it, we have not done enough.

There is still a major regional economic problem, and I believe that we have to tackle it if we are to achieve economic efficiency and social justice—we cannot achieve them nationally without dealing with the different parts of the economy. My own Front Benchers have been innovative in looking at many of the other problems that we face in society—those of the family, young people and how to build enterprise—but I hope that they will turn their attention to the regional problem. No area has more experience of it than my own, the north-east of England. Despite all the good economic indicators, there are still indicators that I want to see reversed. We have not been getting the benefit of the changes in the economy.

I do not claim to have all the answers in respect of tackling some of those problems, but I do claim to have experience of talking to people in the north-east of England, whatever capacity they fill in life. They tell me what they think should be considered as we try to tackle the regional problem, and I think that we need new thinking and new ideas. I have never been one of those who says that the Government can solve all the problems in society because I do not believe that that is the case, but they have to do certain things if they are to lay a foundation for change.

In my view, the Government have to continue to make every effort, through their various agencies and the regional development agency One North East, to try to get a share of the mobile investment that may be available. We all recognise what has to be done to attract that investment: we must be able to say to investors that we have people with the right skills, a regulatory regime that is attractive to them and the right sites in which to invest. Probably the best site for economic development in the north-east is in my constituency. I do not say that out of any narrow interest, because Great North park is an area with enormous potential and One North East has recognised that by giving development priority to it.

The area's development priority has also been recognised by the business and trade union communities in the north-east and, coming on to joined-up government, I hope that the Government will recognise it as well when the planning application goes before the Department of the Environment, Transport and the Regions. Without an innovative approach to such development, we cannot tackle regional problems. We need more of the traditional methods of tackling regional economic disparity.

We should come up with new ideas. If we are to change our capital gains structure, the Treasury should consider a regional differential and a different shape for the taper to encourage the development of businesses that create employment in certain regions. My business friends in the north-east believe that that should be a priority.

We should review the Barnett formula on the allocation of public expenditure. It was set some time ago, and it has been reviewed from time to time. As we reach the millennium, we are moving into a new era of political and economic development. The formula should be revisited, and we should consider whether the case for each area of the country that was made 30 years ago still stands. If not, how should we respond to that?

We should consider the relocation of Government institutions. The private sector in the north-east of England strongly believes that, if only that region had a stronger public sector—as do counties such as Hampshire and Wiltshire through Ministry of Defence investment in one form or another—and had the same economic background, private businesses would thrive to a greater extent on the back of that.

It is wrong that only 1 per cent. of Ministry of Defence employment is in the northern region, despite the fact that 12 per cent. of the British Army is recruited from there. That does not help anyone. When the Treasury reviews the public partnership rules, it should consider applying regional criteria. I am not picking out the MOD for special mention, as this probably applies to all Departments where there is southernism, as they say in Newcastle. When Departments consider relocating various parts of their operation, whether to a site in Hampshire or

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Wiltshire or to a third site, more attention should be given to the third site. That makes economic sense, and would spread economic activity and release sites in the southern part of the country for the essential house building that must occur if, in the next 25 years, everyone who needs a home is to be able to buy or rent one. Much Government property in the south could be released for house building, without spoiling any of the greenbelt. Colleagues often raise that matter with me when dealing with a regional issue.

As I said, the Government cannot do everything. People should do as much as they can for themselves. Communities in the regions of Britain that are suffering should try to do more for themselves. We must all do more about basic economic standards. In the northern region, fewer people attain qualifications than in any other part of the country. That problem must be addressed. It is part of the same story as the literacy and numeracy measures that Departments are taking. There should be greater liaison with regional institutions, and the regions should give a greater push to tackle this terrible problem.

An attempt must be made to build a small business community, because that is what will produce the industries of tomorrow. The small businesses of today should become the big businesses of tomorrow. The truth of the matter is that people in the north-east of England are not taking the initiative to create a cluster of small businesses in the knowledge industries of tomorrow. The Government can help us with education and training, but we must take those initiatives. That view is strongly held by large sections of the community in the north-east.

Universities and colleges have not done enough. They want to keep their traditional campuses, whether it is a greenfield campus with a wire round it or a city centre campus. Universities and colleges should integrate with business developments throughout the country, not just in the north-east. If that link is established with young people of 19, 20 or 21 with lots of energy, it will be carried forward to a later stage in their lives when they are ready to take part in the establishment of small businesses.

We should stop the extension of universities and colleges in inner urban areas in the north-east or, for that matter, in other parts of the country. They should be in business parks and on other sites. That is the example from California and elsewhere. There have been some good examples in Sweden, where such developments have helped to build new economic communities in old areas that had been written off.

Much can be done. The Government should have some fresh thinking and fresh ideas. I do not particularly want committees to be set up to investigate these matters but, if that is what is required, let us have them. We need to consider how we can tackle many of the issues that have been with us for 70 or 80 years or longer and that we have tried to tackle. The regional policy initiatives that we have taken have prevented things from getting worse, and have often been helpful, but that is not enough. We need more if we are to have a sustained balance in our economic activity.

7.6 pm

Mr. Michael Fallon (Sevenoaks): It is a pleasure to follow the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). He has always been a strong advocate for the north-east, and I am delighted to hear him issue a challenge to his own Government of the kind that he used to issue to the Conservative Government when he was in opposition.

I do not share the hon. Gentleman's enthusiasm for the Queen's Speech. It left me unmoved, and it left my constituents unmoved, because there was nothing in it to bring forward the financing of the replacement for the ageing Pembury and inadequate Kent and Sussex hospitals. The new single-site hospital that we have long been promised in west Kent has been delayed for another year. There was nothing in it to provide additional funding for police numbers in Kent, which have been cut under the Government, or to assist us to bear the burden of asylum seeking in Kent, which falls on my county more than on any other and is now a serious drain on the resources of the police and social services.

Instead, the Queen's Speech was packed with fussy Bills that will do little to stimulate our economy or to improve competitiveness. Contrary to what the hon. Gentleman said, the Government do not understand business. I shall give some examples from the Queen's Speech on the economic side. The great glory of internet trading was not a Department of Trade and Industry scheme: it was not DTI legislation or an Act of this Parliament. How do the Government propose to regulate it? The Electronic Communications Bill contains 17 pages of heavy-handed legislation. Even the Select Committee on Trade and Industry has described it as unnecessary and irrelevant. It should have had a lighter touch, but the Government have overcooked it.

The deregulation Bill is extraordinary. It is a deregulation Bill to provide less regulation. We have not seen it yet. We have had deregulation speeches, but we have not seen the Bill. We have not had any deregulation from the Government. In 1995-96, which was the last full Session of the Conservative Government, 39 deregulation orders were laid before the House. In the Session just concluded, only four deregulation orders were laid before the House. The Government talk about deregulation, but they do not propose deregulation measures.

There will be a Bill to introduce Partnerships UK, the new state investment bank. The Government assured me in a written answer on 16 July that there were no plans for a state investment bank. Now they are publishing a Bill, and Partnerships UK will be given the power to invest, to have grants from the Exchequer and to make selected investments. If it looks like a bank and behaves like a bank, it probably is a bank. We know what happened to the great National Enterprise Board. It was supposed to pick winners but, if anything, it picked losers.

There is nothing in the Queen's Speech for small businesses, except the new small business service that is being established this year. Just as business links had been established, were up and running and understood by the small business community, they are being torn up and we will have a new small business service. That is not what small businesses want. Small businesses in my constituency complain about taxes and red tape. They do not want more Government offices; it is the little things that bother them—the charges for various inspections, the level of business rents and, above all, the burden of regulation.

Let me give three examples. First, small businesses are often hit not by the main effect of the regulation that we pass in the House, but by the side effects. Secondly, they are sometimes hit by the interaction between one regulation and another: for instance, the holiday arrangements under the working-time directive clash with the arrangements for the national minimum wage. Thirdly, there is the cumulative weight of all the new burdens.

As the right hon. Member for Camberwell and Peckham (Ms Harman) tried to remind us, each of those burdens is perfectly defensible on its own terms. Who is against paternity leave, and the various other rights involved? They are all highly desirable in themselves, but they are all expensive, and they will all have to be paid for. It is the weight of those burdens, when combined, that sinks our small businesses. Suddenly, one day, the little corner shop is not there any more.

Ministers and bureaucrats have no understanding of the pressures on small businesses, and no such understanding is reflected anywhere in the Queen's Speech. There is no understanding of the difficulties involved in taking on the very first employee in a business that employs only three or four people, coping with the problem of an employee who is unexpectedly pregnant, dealing with redundancy or preparing for the first VAT inspection. Those are the factors that bear down on small business, but nothing in the Queen's Speech brings any comfort to small business men in my constituency.

I must tell the Government that, during the first half of the current Parliament—now concluded—they have implemented all their policies in a relatively benign economic environment. They inherited a sound economy from us, and they have been governing in a relatively benign climate ever since. They have set up a new monetary policy framework, but I am not yet convinced that it is the right framework. Even in good times, it has proved to be a peculiarly fussy arrangement. My hon. Friends may care to note that, in the two and a half years since the establishment of the Monetary Policy Committee, it has changed rates 14 times. In the same period, the Federal Reserve has changed rates only six times. I suspect that the Monetary Policy Committee meets too often and that its fingers are too itchy, and I am not at all sure that its relationship with the Treasury is as clear as it should be.

Mr. Edward Davey: Will the hon. Gentleman give way?

Mr. Fallon: I hope that the hon. Gentleman will forgive me if I do not. Time is short.

The Chancellor boasts that he set up an independent operation. He also boasts to the House that we had low interest rates throughout last year. Today, *The Daily Telegraph* quotes him as backing high interest rates. The Chancellor set up an independent system, but he claims credit when interest rates are low, and now he will claim credit when they have gone up again. I suspect that such a quasi-independent monetary framework spells trouble for him.

Let me now deal with fiscal matters. The tax burden continues to rise. It rose during the last years of our Government—there was a recession, and unemployment costs had to be met—but it should be falling, not rising, during a time of growth. This afternoon, the Chancellor refused to answer a question about the overall weight of the tax burden, but we will keep asking that question until we are given an answer.

As the tax burden continues to rise, overall spending programmes continue to increase. The pre-Budget report gives the game away. I see no mention in the report of any serious receipts from asset sales. What happened to the great doomsday register? The Government were going to add it all up, and see what they could sell. They have even removed the line about privatisation receipts: if hon. Members look at table B15, they will see that it is not in the report. The Government's privatisation programme, and all the profits that they were going to scoop up from asset sales, have been delayed. Everything has become confused.

We are promised 27, 28 or 30 Bills in the current Session. A Liberal Democrat described the programme as rather fussy, although I cannot remember his exact words. Certainly a busy Session lies ahead, but it is a fatal flaw in Government to confuse busyness with effectiveness. This is the last Queen's Speech of the century, and of the millennium; but we cannot say of it that it is really anything new. If anything, it is the last old Labour Government Queen's Speech, promising more legislation, more fussiness, more regulation and more taxation. Yet again, this is a tax-and-take programme from a tax-and-take Government.

7.15 pm

Mr. Ronnie Campbell (Blyth Valley): As will be clear from my accent, I, like my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), will be concentrating on the north-east of England.

My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) spoke of the north-south divide. I was down there only the other week, because my daughter moved there some years ago: she was one of those who migrated from the north-east in an attempt to find happier grounds, and I am pleased to say that she succeeded. A few weeks ago, my wife and I helped her to move house. The house cost her £160,000; in my time, it would have cost £50,000 on a good day.

That sums up the challenge that the Government face in regard to house prices. When we were down there, one gentleman told us that he had already made £30,000 on a house that he had bought two years ago. Inflation is really kicking in, and the fact that interest rates have risen affects the whole picture. That is the shame of the matter: in regions such as mine, the north-east, house prices have not risen enough to enable people to reap the benefits of interest rate rises—although, as we read in today's *Evening Standard*, there has been a 30 per cent. price increase in London.

I do not know what the answer is. Could regional interest rates be introduced? I very much doubt it, but at least we could talk about it. The north-east did not cause the problem; why should we have to pay for it? As the south-east created the inflation problem, with all the house-buying and gazumping, perhaps it should have to pay. That may not be a very good argument, but it is the only argument that I can produce at the moment.

My hon. Friend the Member for Newcastle upon Tyne, North mentioned the Barnett formula, which was devised 20 years ago by a Treasury Minister who is now in the other place for poor old Scotland and poor old Wales.

[Mr. Ronnie Campbell]

At that time—it was in Harold Wilson's day—Scotland was experiencing a poor economic cycle. As for the north-east of England, in those days we had 40 pits, we had shipyards building ships, and we had steelworks in Consett and in various other places. We were enjoying an economic upturn, while Scotland and Wales were at rock bottom.

The Government were a bit afraid of the Scottish national party at the time, as it was making some headway, so they devised the Barnett formula to deal with the arguments in favour of independence for Scotland. It applied the formula to Wales as well. It got them out of the mire, and we have had it ever since. Unfortunately, during the intervening period, the north-east of England has lost all its mines except one, which is teetering on the brink, as well as its shipyards—although I understand that we may start building ships on the Tyne again. I look forward to an announcement to that effect. I know that some roll-on roll-off ships are planned, and I anticipate a subsidy for shipbuilding on the Tyne and the Tees. I understand that it could create 1,000 jobs per ship on the Tyne.

Scotland got the formula. It was good for Scotland and it should be good for us. We in the north-east ask Ministers not to do away with the formula in Scotland and in Wales, but to devise it for us. If it was good enough for Scotland when it was on its knees—we supported introducing the formula there—it is good enough for the north-east of England. We are on our knees at the moment.

It is estimated that, without the Barnett formula, the north-east is missing out to the tune of £2 billion a year. That is a lot of money for the north-east of England. If we can get an extra £2 billion a year in the north-east economy, we will do wonders.

The only pit in the area is Ellington colliery. About 400 men work there. We are not sure what will happen to it. A guy from Italy with various connections to some dubious people wants to buy it. I do not know why. He says that he wants to take the coal to Yugoslavia and the middle east. He can get coal cheaper on the spot market. He can go to Poland to get coal cheaper, so we do not know why he wants to buy the pit and take British coal all around the world. We will have to wait and see. He is in for buying the pit, which could save jobs and save the lads.

Talking of the lads who work at the pit, all they want is a job. They do not care who owns the colliery. The Government say that they will not step in to help the pit; they will not subsidise it. The lads are not bothered if the guy from Italy is a bit of a gangster, or whatever, as long as their jobs are safe.

It is estimated that, if the colliery closes, the plans fall through and the 400 jobs are lost, £40 million will be taken out of the south-east Northumberland economy. That is a lot of money to take out of the economy. Redundancy money is not the same as it was a few years back. It is a private industry now, so only a pittance is paid.

Another argument involves the standard spending assessment for the north-east of England. Local government receives subsidies from the Treasury. I praise the Newcastle newspaper that has, for a long time, been running a campaign on the Barnett formula and SSAs. The headline "North losing millions to the south" sums it up. It says that councils in the north are losing up to 1.4 billion in SSAs. Those were set under the Tory Government. Unfortunately, when they came to power, my Government said that that they would keep the SSAs for the next three years. We have tried to change them, but obviously the Government will stand fast to Tory programmes. Conservative Members have not lost everything yet: we are still on one of their programmes, which disadvantages north-east councils and advantages those in London and elsewhere in the south.

I should like to give a few figures to back the case up. It is important that figures are given. Ministers might want to challenge them. Perhaps they have some figures of their own that they want to put forward in a reasonable way.

I give the figures for public spending per head of population. In Northern Ireland, it is £133; in Scotland, it is £120; in Wales, it is £114; in London, it is £108; in the north-east of England, it is £98. We can see that the regional money to the areas for development—inward investment—is still low; we are still down.

Of course, we have to remember that Wales and Scotland have the Barnett formula—the only two areas to have it. I do not know what Cornwall thinks. I have seen the figures for Cornwall, but I am sure that the hon. Member for North Cornwall (Mr. Tyler) can argue his case himself. If we had Barnett, we would be up with Scotland and Wales. That is where we want to be—up with Scotland and Wales, with the same money and help.

Regional selective assistance is given. Scotland receives £152 million. Again, the figure is adjusted because of Barnett. Wales receives £106 million. The north-east receives £41 million. When those figures are bandied about and we see the state of north-east England, we will realise that there is a gross miscarriage of justice. Employment is not increasing there. It might be increasing in other parts of the country. The Government come to the Dispatch Box and sing their praises, but it cannot sing the praises of the north-east—not on the new deal.

The new deal is a good idea. It gets people into work, but there is not always work at the end of it. However, at least it gives a start and assists the areas that need help.

My hon. Friend the Member for Newcastle upon Tyne, North mentioned education, which is very important. We cannot educate our kids. We are going into a new era. Heavy industries, as we know them, are dying; we recognise that in the north-east of England. We have lost them all. Obviously, we look to diversify, but I give more Barnett figures. Let us look at those figures: Education spend per head of population in inner London is £1,527; in Wales, it is £1,021; in Scotland, it is £1,388; in north-east England, it is £966. That is the education grant that we get because, again, we are not part of the Barnett formula. We see what Barnett has done in the past 20 years. It has given great advantages to Wales and to Scotland, while other regions have not received the same amounts and have fallen behind. We have fallen behind on that level.

This afternoon, late on, a Liberal Democrat gave me some more figures, which I appreciated. I got them in the Tea Room. They are very interesting. In 1999–2000, Northumberland received £2,240 per primary school pupil from the Government. Kensington and Chelsea got £3,315. Northumberland got £2,879 per secondary

school pupil. Kensington and Chelsea got £4,130, so we can see an enormous difference, even in education. That is only one example, but we looked at different places in London and elsewhere and they all received more; spending in Kensington and Chelsea was the furthest ahead. Northumberland is well behind Hertfordshire, according to the figures on spending per pupil. Again, in education, the north-east is losing out.

If anyone has been to Northumberland, they will know that it is a beautiful county. There are wonderful places to see. It is a great place for making films now; it is the Hollywood of Britain. Many films are being made there. It has some lovely places, but, again, it does not get much for tourism. Wales receives £6.40 per head of the population for tourism. Scotland gets £5. The poor north-east of England gets 8p—we are doing well again.

In every comparison of spending, the north-east does badly. I do not know about the other English regions. I am not here to argue their case; I am sure that they can do that themselves. I am here to argue the case for my area and the people there. We have lost their traditional industries, as Scotland and Wales did. Now we are on the same road. We want the help of Scottish and Welsh Members to ensure that we have the same standards.

7.29 pm

Mr. David Ruffley (Bury St. Edmunds): In a changing world, one is sometimes reassured to see things not changing. The Gracious Speech and the Chancellor's pre-Budget statement show that two things have not changed. The first is the Treasury's refusal to admit that it has increased taxes, or to say that it will undo the damaging effects caused by its tax increases. The second is the omission in the Gracious Speech of a proposal to deal with the problems experienced by small businesses, particularly by small businesses in market towns, such as Stowmarket and Bury St. Edmunds in my constituency.

A change has occurred in the way in which the public and the press perceive the Chancellor's economic management, particularly his taxation policy. Most recently, that changing perception was demonstrated in an Office for National Statistics publication—it was subsequently endorsed by the Library—which said that, in the financial year 1996–97, the national tax burden was 35.7 per cent. of gross domestic product, and that, for the current year, the burden is forecast to be 37.7 per cent. Those figures are pretty much incontrovertible—unless, of course, one is a Treasury Minister.

There has been a spate of criticism of the Chancellor's twisting of the facts on the tax burden and tax increases. It is interesting that, on the Government's presentation of economic statistics, Bob Worcester of MORI—who is by no means a Conservative-leaning commentator—recently said:

> "It is not being clear, it is not being precise . . . They are putting spin on the statistics and that spin is an affront to the British public . . . These things ought to be crisp and clear and absolutely straightforward".

My hon. Friends, like me, represent many hard-working couples who want only to keep more of what they earn, to spend or save as they wish. Average hard-working couples in my constituency know that, annually, they are £223 worse off because the Chancellor abolished mortgage interest relief at source, and £285 worse off because he abolished the married couple's allowance. My constituents also know that, on Automobile Association figures, if they drive the average annual mileage of 8,000 miles in an average-size car, they are likely to pay a minimum of £165 more each year because of the Chancellor's unnecessary fuel tax increases. Those tax duties are all the more punishing for motorists in rural constituencies, such as mine, for whom a car is a necessity and not a luxury. Under this Government, middle-income earners on just over £27,000 a year will pay more direct tax in national insurance contributions.

Those are the facts on taxation. I do not expect the Treasury to reverse any of its taxation policies, but I have some modest hope that Ministers will listen to what small retailers in small market towns, such as Bury St. Edmunds and Stowmarket, are pleading and demanding. They are being hit by the small business rate burden more than by anything else.

I should like to share some statistics that the Department of the Environment provided in its document, "The Impact of Rates on Businesses", which was produced near the end of the previous Government's time in office. The statistics show that a small business—typically, a small retail shop in a small market town—with a turnover of up to £50,000 will have to pay a business rate equivalent to 7.7 per cent. of turnover; to 13.7 per cent. of overheads; and to a staggering 35.9 per cent. of profits. It is an extremely heavy burden on small businesses.

The burden for businesses with a turnover of £500,000 to just under £2 million—typical of big superstores on the edge of large market towns—is much less. As a share of turnover for those businesses, business rates amount to 4.1 per cent. of turnover; to 3.7 per cent. of overheads; and to a relatively trifling 15.9 per cent. of profits.

Even Labour Members will agree that the statistics show that there is a disproportionately heavy burden on small retail traders and that the time has come for the Government to consider practical measures to alleviate that burden. The Government talk about fairness—but let us have some fairness, and let the small businesses in my constituency see some of it.

I should like briefly to outline an idea that Treasury Ministers should consider, which first appeared in the much-maligned 1997 Conservative party manifesto. Although Conservative Members are accustomed to having many of our better ideas swiped by Labour Members, I shall not object if they swipe this one: that the poundage should be increased for all businesses subject to the uniform business rate regime. The Treasury can do that, as it sets the poundage. Implementing the idea would raise extra revenue, which could then be used by the Treasury to grant a tax-free exemption for all businesses in the low rateable value bands—which would automatically receive a tax-free slice similar to the personal allowance in the personal income tax regime. Implementing the idea would provide a windfall gain for the small retailers in my constituency who are going to the wall.

In Bury St. Edmunds, we have a distinguished retail street—Abbeygate street—that, for many years, but less so today, was known as the Bond street of Suffolk. Now, shops on Abbeygate are closing specifically because of high business rates, and cheap and cheerful shops are

[Mr. David Ruffley]

moving into premises vacated by very well-established retailers who had to close. In Churchgate street, an old established bakery had to close because of business rates.

The situation simply cannot continue. Truthfully, honestly and genuinely, I urge Ministers to reconsider creating a regime to provide tax-free slices, free from the uniform business rate, to lower rateable value properties. It would not be difficult to create such an exemption—which would also ensure that the big, out-of-town supermarkets paid their fair whack.

The Queen's Speech is disappointing in its failure to address those issues. My disappointment is shared by Mr. Stan Mendham, chief executive of the Forum of Private Business, who is respected on both sides of the House. He said:

"Those business owners looking forward to the future have little to cheer, as business rates . . . have not been tackled".

The Gracious Speech contains some measures attempting to play to the small business lobby, but they offer only warm words. On that matter, I agree with the Institute for Fiscal Studies, which helpfully drew attention to what it believes are gimmicky measures, such as the proposed R and D tax credit. We do not yet know much about the credit, but it will probably carry a £150 million cost and will certainly not assist small businesses in my constituency.

The better capital allowances for small and medium-sized enterprises, which over the past two years have amounted to about £175 million, are small potatoes compared with the problems facing British industry. The IFS concludes:

"it was very unclear whether the plethora of measures targeted at small companies will have any significant impact on the aggregate investment and productivity gaps that the government has highlighted."

I am also disappointed by the all-employee share scheme, which builds on the approved profit-sharing and save-as-you-earn schemes. We all know, as the IFS has emphasised, that the new scheme is built for listed companies. For those who work in a corner shop, the public sector, a small partnership or a small business or family firm, the hype about employee share ownership is irrelevant.

There is nothing on tax for small businesses in the Gracious Speech. There is nothing to cheer the part of middle Britain that I am proud to represent in Bury St. Edmunds. Let us hope that, in due course, we shall have a Government with the wisdom to match deeds with words. My final plea is for the Treasury to consider small business rate reform.

7.41 pm

Ms Sally Keeble (Northampton, North): I am grateful for the chance to speak in this debate, because the economy is of central importance to my constituents. I, too, represent middle England. The right hon. Member for Horsham (Mr. Maude) said that those whom Labour persuaded to vote for us last time would be the worst affected by the economic measures in the Queen's Speech. There are many of them in my constituency. I recognise in the Queen's Speech a continuation of the economic policies that have greatly benefited my constituents. I find it difficult to recognise in the doomsday scenarios that we have heard from the Conservatives the lives of my constituents and the way in which they have improved under this Labour Government.

Of all the areas in which my constituents have benefited under this Government, the economic improvements have been the most marked and the ones that have given me the most pleasure. My constituents do not have the salary levels that the hon. Member for Bury St. Edmunds (Mr. Ruffley) mentioned.

Mr. Ruffley: I was merely observing that those earning £27,000 a year are by no stretch of the imagination rich, but they are hit by the increase in national insurance contributions levied by the Chancellor.

Ms Keeble: The hon. Gentleman was talking about average earnings of that amount. My constituents are on about £10,000 less than that. For people on such wages, the Government's control of inflation and prices has been of great benefit. The high levels of employment that the Government have brought about have also been very important. Northampton now has about 2.5 per cent. unemployment.

Many households in my constituency need one and a half incomes, because pay levels are not high. The fact that we have such a thriving economy that households can have one and a half stable jobs has meant that they are able to keep up their mortgage repayments and are benefiting from more secure home ownership. The Government have also recognised that, to deal with the economy properly, they have to deal with certain supply side factors, including tackling the skills gap. School achievement levels have not been good in my constituency. The Government's measures to deal with that problem will be of profound benefit to local industry.

I am firmly convinced that the main reason why the Conservatives lost my seat at the election was their mismanagement of the economy. Conservative Members have spoken frequently about the golden legacy, but it was not evident in my constituency. As mortgage rates soared, people lost their jobs. That unemployment may not have been permanent—Northampton, North is not one of the great inner-city areas—but it was bad enough for a lot of people to default on their mortgages and lose their homes. There was a profound lack of confidence in the record of the previous Government. Some of the alleged failures of this Government, such as the decline in the savings rate in our first year, are signs of the feel-good factor that was created when Labour came to power.

The Conservatives also pour scorn on the regulation of financial services, but for my constituents, who rely mainly on private provision or self-provision, that regulation will be very important and welcome. When I started running advice surgeries after I was elected, I was shocked by the number of people who complained about the mis-selling of a range of financial services. I look forward to the regulations being tightened.

The measures to support enterprise are also important. We have heard a lot about big business. The changes for small businesses that have already been put in place and those that are to come, particularly the new small business services, will be important for a significant section of my constituency and will be welcomed by them.

Perhaps the most important changes are those to support families. We have heard the Conservatives talk about what hard-working families want. For the most part,

they have got what they want in my constituency because the Government have provided many benefits and made many tax changes to support them. There are many working women with children in my constituency. I carried out a family survey that showed that combining work and home was one of the key pressures on the families of middle England. The changes in the Queen's Speech continue the Government's existing policies. Those changes are important and will be telling at the next election.

The measures on the state second pension and the carers pension will be particularly important, because they will ensure that the vast number of women in my constituency who work part-time will be able to make provision for their retirement independently of their husbands or partners. They will be able to have a more secure retirement than many women currently have. The carers pension will be crucial and will be of enormous help in underpinning family life, because it will make it possible for women who give up work to look after children or disabled relatives to have their contributions for their state second pension paid. That is one of the Government's many measures to benefit families.

The changes to the Child Support Agency will also have an enormous impact on the quality of many families' lives, because they will ensure that children get more money and that bureaucracy is removed. That will also help to end some of the friction that we all know that the CSA currently produces in many homes throughout the country. In addition, the changes to holiday rights and parental leave will help to ease many day-to-day pressures.

The new deal for lone parents—allied to the working families tax credit—is often associated with inner-city areas with high unemployment, but it is of profound benefit also to middle England. There has been much emphasis on how the new deal has benefited young people. However, my constituency is not packed with unemployed young people. It does have a large number of lone parents who, through the Tory years, were forced to stay at home and live on benefits. They bitterly resented that. The introduction of the working families tax credit and the child care tax credit has been a liberation for them.

In my constituency, I have talked to women who are £60 and £65 a week better off and who are able to go out to work for the first time in many years. It is not just that they are financially better off, but that their children will grow up in a home where someone goes out to work. That is important in terms of what happens to those children.

When my constituents contemplate the prospect of another Conservative Government, the choices for them are stark, and a number of themes have been summed up in the Gracious Speech and the pre-Budget statement. Those women who are now £60 and £65 a week better off would lose that money. They would lose their jobs also, because they would lose their ability to pay for child care. They would have to go home and live on benefits again. My constituents and I do not think that that is good management of the economy.

The Conservative party is not in favour of the independent setting of interest rates so, presumably, my constituents would see interest rates again tied to political convenience. There would be a repetition of the jiggery-pokery with interest rates. We saw what happened last time—people ended up losing their homes because they defaulted on their mortgages. Before the election, the then shadow Housing Minister came to my constituency, and we looked at rows of boarded-up houses. This was not empty council housing, but private housing where people had had to lock the door and walk away because they were no longer able to pay for it.

Many people who now have a chance to work would not have that chance under a Tory Government, and would be on benefits. In particular, pensioners would be infinitely worse off and would not have the many benefits that were set out in the Gracious Speech. They would not have the £100 payment for fuel, the state second pension, the carers pension or the stakeholder pension. They would not have the lower tax rate on interest-free savings, or the much higher pensioners' tax thresholds.

It is easy to talk about global figures and macro-statistics when we talk about the management of the economy. However, we should look at the impact on the lives of people in middle England. I have no doubt that the Gracious Speech will play an important part in ensuring that they understand that the Government are on their side, and will provide them with a sound, stable and secure future for themselves and their families.

7.54 pm

Mr. Tim Loughton (East Worthing and Shoreham): It is difficult to address the economy within the debates on Queen's Speech, given that there was so little about the economy in the speech—apart from the Financial Services and Markets Bill, of which we have spoken many times before. Those of us on the Committee seem to have been dealing with it since the Ark, and the leviathan nature of the organisation remains, despite our best endeavours to trim its powers. The only other measures affecting the Treasury are resource accounting and private finance initiative banking, and we will deal with the Second Reading of those Bills in a little while.

The Queen's Speech contained familiar phrases about managing public finances prudently, monetary policy making, interest rates and inflation—words which, in a political sense, did not trip easily from the lips of Her Majesty. I am happy to admit that, on the face of it, our economy appears to be in a relatively sound state. However, it certainly merits closer attention in an international context than the Chancellor is prepared to give it, despite his constant entreaties to look to the examples of Europe or America.

For example, the best forecast of gross domestic product growth, even from the Treasury, for this year is 1.7 per cent., compared with 3.8 per cent. for the US, 2.1 per cent. for the EU and 2.6 per cent. for the whole of the OECD. We are rather near the bottom. For two years' time, the growth forecast for this country is 2.3 per cent.—beaten by France at 2.9 per cent., the United States and the EU, at 2.8 per cent., and again by the OECD at 2.6 per cent. Despite the great growth miracle that is apparently going on in this country, in an international context it is not that exciting.

On the current account balances as a percentage of GDP, we will be suffering deficits for the next two or three years of around 1.5 per cent. at a time when France is experiencing a surplus of 2.4 per cent. The EU average will be 0.3 or 0.4 per cent. It is even better in the rest of the OECD. The current account balance is not looking so healthy in an international context.

[Mr. Tim Loughton]

Short-term interest rates will remain higher here than in the United States, and much higher than in the EU as a whole. Things are not looking quite so good in an international context as the Chancellor would have us believe.

Productivity has been referred to as the acid test of economic success by the Chancellor. It was growing at 2.2 per cent. at the time of the election, but the figure is 0.7 per cent. after two years of Labour rule. One test of productivity is GDP per capita. Taking the base of 100 for the UK, the figure for the United States is 137. We are well below the rest of the EU in terms of productivity.

My right hon. and hon. Friends have mentioned the tax burden many times. It is interesting that the Chancellor is happy to quote selectively from reports but, when it comes to a fairly definitive report from the OECD on the tax burden, he refuses to believe it. The figures, supported by the House of Commons Library, show that the tax burden in this country has risen from 35.4 per cent. at the last election to 37.6 per cent. Direct payments to the Exchequer have risen from £270 billion to £333 billion a year. I do not know how the Chancellor is able to wriggle out of these facts.

In Germany, the tax take is lower, and it is just 29.7 per cent. in the US. The tax burden is falling in the rest of Europe, but it is rising here. We know the reason for that—the stealth taxes that the Chancellor has dishonestly taken out of people's back pockets.

My major theme has been taken up by Labour Members, particularly those representing constituencies in the north-east of England. I want to counterbalance that, speaking as someone representing a south-east constituency. I am concerned about the divergence in economic performances within the UK. That is a worsening trend.

Unemployment in the north-east is at 9.7 per cent and rose by 1.3 per cent. last year. In Wales, it is 7.3 per cent, but in my area—the south-east—it is 3.8 per cent. and falling. Those are enormous divergences. In the north-east, gross domestic product per head is £9,500; in Wales, £9,400; and in my region, £13,500. We have also heard examples of extreme divergences in house prices.

Not surprisingly, there is mass migration from the north to the south—not only the daughter of the hon. Member for Blyth Valley (Mr. Campbell) has moved. The population of Wirral and Manchester has fallen by 9 per cent. over the past seven years; north-east Lincolnshire is losing 1,000 people a year; and the population of the home counties and central London is rising commensurately.

The Government's solution is to take councils such as West Sussex to court to force massive housing development on largely greenfield, rural counties. They fail to condemn the Crow report, which would impose 1.1 million extra homes on the south-east by 2016. We are witnessing a catastrophic and fundamental shift in the regional economic fortunes of the United Kingdom.

I have various quotations on the subject. One is:

"There's no doubt there's going to be a brain drain."

Another says:

"It means some of the new investment that might have been spread around the country will not take place."

A third says:

"You would have the north-south divide back again and it would devastate the north of England."

Those comments are all by Labour leaders of northern metropolitan boroughs. I wholeheartedly agree with them.

Concentrating economic development in the south-east will act as a magnet for more population migration from the north, more inward investment that would have gone to areas with greater need and more concreting over of largely rural south-east areas, leaving vast swathes of brownfield sites in the north undeveloped.

Ms Keeble: The hon. Gentleman makes an important point about the north-south divide, but does he not accept that the Government set up the regional development agencies to deal with the problems in the teeth of opposition from the Conservative party?

Mr. Loughton: Yes, indeed. The problems have been accentuated and the RDAs have failed, inevitably, to deal with them, simply because the south-east, by its very nature, will always command a premium because of its proximity to the continent and the financial markets in London.

Amazingly, there is blatant discrimination against the north of England. The people of the south-east do not want it to become one of the top 10 regions of Europe if it is at the cost of turning the garden of England into a patio. Many people in the south-east would prefer it to be equal 20th with all the other regions of Europe.

The Government have done more than any other to destabilise the United Kingdom constitutionally and are now guilty of accelerating its economic fragmentation. There is increasingly no such thing as a single, homogeneous state of Britain.

The damage is being accentuated by the energy tax, for example. Large industrial concerns, especially in northern urban areas, are being penalised to the benefit of service industries in the south. Even after the partial climb-down in the pre-Budget statement, it will still prove lethal for the chemical, steel and paper industries among others. It has no regard for companies that have invested in energy efficiency and there is still no emissions trading policy, which is an essential part of an integrated energy policy. All the Kyoto targets could be achieved by converting more coal-fired power stations to gas.

There is an enormous extra burden of red tape on industry, with 2,700 extra regulations, costing £10,000 a year extra for medium-sized businesses and £1,700 for companies with fewer than 10 employees. There is an annual bill of £500 million for firms to administer three new Government measures on PAYE, national insurance and statutory sick and maternity pay.

The Government have slashed the savings ratio. The problem is most severe among lower-income families in the north. Individual savings accounts have signally failed to attract a single one of the 6 million new investors we were promised. The new schemes for wider share ownership, which are welcome as far as they go, are surely a tacit admission that ISAs have failed to attract new investors.

Many problems are being stored up for the future. The tax system has become hopelessly complicated. Many of the tax advantages, such as the 10 per cent. starting rate

for tax on savings, will go unclaimed because of the complexities involved. One tax adviser said:

"The average person in the street would find it almost impossible to understand our tax system and recognise whether they are entitled to any tax rebates . . . The people who are most likely to suffer are those who can least afford it."

That has all apparently been in the service of building up a war chest, which has been made up of stealth taxes taken dishonestly from everyone's back pocket and which should be given back, not used as an election bribe.

The tax burden is up and the tax system has been drastically complicated. Businesses and individual taxpayers are all feeling the effects, mostly imposed by stealth. The savings ratio has crashed despite warm words about encouraging greater pension provision and savings for later in life. We are storing up trouble for the future.

All the trends fly in the face of what is happening in the rest of the OECD countries, especially in Europe, whose growth and productivity are outpacing ours. Most alarmingly, the greatest ever divisions are emerging between the regions. After a frenzy of splitting up the United Kingdom through constitutional iconoclasm, it is a great irony that the Government, who have their greatest concentrations of seats in the north of England and in Scotland and Wales, are promoting a severe form of economic apartheid that is causing the greatest pain in those parts of our still, nominally at least, United Kingdom.

There is nothing in the Queen's Speech to reverse that worrying trend.

8.7 pm

Kali Mountford (Colne Valley): It is common to start a speech by saying that we have had a wide-ranging debate, but that is true today. We have heard comments about pigs; witnessed an internecine battle about Europe; visited and revisited housing; talked about deregulation; and been told about the north-south divide.

It is worth taking a moment to consider the Conservative amendment, and in particular its last sentence. The Conservative party would have us

"engineer a return to the golden economic legacy of enterprise, dynamism and flexibility left by the previous Government".

Let us consider the credibility of that formulation and ask, if the economy is successful, who is to share in that success and whether we are being fair.

The right hon. Member for Horsham (Mr. Maude) refused to take interventions from Labour Back Benchers, which is regrettable in any event. He refused to give way on IR35, which Conservative Members love so much that they cannot resist mentioning it in the debate again and again. Who is really affected by IR35: the poorest people in our society; the unemployed; those struggling to make a living? No, not at all.

Conservative Members talk of enterprise measures when what they are really talking about is tax avoidance. On IR35, they refuse to answer the simple questions about whether one pays tax through PAYE or as a self-employed taxpayer or whether one avoids it.

Mr. Oliver Letwin (West Dorset): Why does the hon. Lady think it reasonable for a self-employed computer contractor, who has happily been working three-week contracts, suddenly to have to regard himself as employed because he gets a six-month contract?

Kali Mountford: If the hon. Gentleman considered the measures properly, he would find that genuine entrepreneurship is rewarded, not discouraged, by IR35. All the cases that I have considered in detail and all the fears engendered by the Conservatives, who have made people scared that they would be much worse off, happen not to be true. If people have long-term contracts with a firm, it is correct to admit that they are employed and they should pay tax accordingly.

The Queen's Speech advocated investigating benefit fraud more closely and introducing measures to discourage it. How can it be right to say to someone on income support that benefit fraud is wrong and take measures to combat it, but to say to someone on a more than adequate income that it is acceptable for them to avoid paying their proper taxes? After all, tax avoidances means less money for the rest of the economy and, therefore, for all the measures necessary to help people who are much worse off.

It is wrong to avoid paying tax and it is certainly wrong to describe attempts to prevent that as an attack on enterprise. When it comes to enterprise, we should ask how we should reward it. Do we do it in an ad hoc manner, so that, if someone has the wit to employ the right accountant, he can avoid tax? Or should we ask how we can best encourage enterprise in the economy? The measures in the Queen's Speech will do much to address the latter question.

We should nurture the enterprise culture in schools. We have had some discussion tonight about generating the right skills for the economy, but enterprise is never talked about in schools. We should fund schools to encourage young people—especially girls, so that they can start to do something about the pay gap between men and women—to think about enterprise and how they can make an economic contribution. Another measure should be introduced to make available a sum of money in the early days of a new enterprise to provide support. That would be an excellent way in which to encourage enterprise properly, instead of in some strange, ad hoc fashion.

How can we share economic success fairly? I am grateful to those Conservative Members who have recognised that we are economically successful, but such success must be sustained and enable people to make long-term judgments. The Opposition's amendment is self-congratulatory, although one Opposition Member at least acknowledged that their time in office saw two recessions and our withdrawal from the ERM. To listen to most Tories, one would think that we lived through the most successful economic period in history before the general election in 1997, but that simply is not the case. People felt insecure and could not make plans for the future. Many hon. Members have mentioned the housing market, but that, too, was affected by people's inability to plan for the future. We now have a period of sustained and sustainable economic growth, stability, low interest rates and low inflation. We will experience fluctuations, but the current economic stability has to be good for the generation of jobs and the sharing of our success among a wider range of people.

The Labour Government have made a point of sharing success with more people including, for example, lone parents. Indeed, we have a convert to that approach in the

[Kali Mountford]

hon. Member for Havant (Mr. Willetts). I recently asked him about his ideas for lone parents and he proudly gave me a copy of his speech on them, which makes interesting reading. He accepts, at last, that young women benefit from being in a family which has one or more members in work, even in a single parent family. Encouraging a culture of work and ensuring that work pays enough to be worth while is beneficial to everyone.

It is right that people should be able to share in economic success whatever the size, shape or condition of their families, but the worrying aspect of the Conservatives' proposals is the suggestion of the removal of choice. It has been suggested that the Opposition are schizophrenic in their attitude to this debate, and that is true of their attitude to making work pay and caring for the family. They have gone on about MIRAS, the married couple's allowance and how to keep families together, but they propose a measure that would force women, when their children are 11 years old, to claim jobseeker's allowance and according to which they would have their benefit taken away if they did not get a job within 13 weeks. That is way too much stick and no carrot.

The Opposition's amendment contains nothing about how to help people into work or the barriers to work. One of the major barriers for women who do not have a partner—and those who do—is the lack of quality, affordable child care that is supported by the Government, but Conservative Members refuse to recognise that. They have not caught up with the reality of making work pay so that it genuinely benefits families. The Opposition's schizophrenia will continue until they realise that they cannot encourage mothers into work by force. The one thing that Conservatives should have learned from the old YTS and YOP schemes is that people forced into a scheme do not fare well and look to leave it quickly. Work must pay, which is why I welcome the tax credits imaginatively introduced by the Government—which are not the ad hoc tax credits that people affected by IR35 awarded themselves.

Mr. Stephen Day (Cheadle): Speak for your constituents.

Kali Mountford: I am. My constituency has low unemployment and many families with young children. Despite the image of "Last of the Summer Wine", it is a young constituency and the regional development agencies—about which the Opposition do not appear to have heard—are making the sorts of changes that will encourage enterprise. The RDAs are introducing corridors for new technologies to encourage growth. However, unemployment in my constituency is already low, and people who previously did not have opportunities have them now. The jobs that people get are real, with real career prospects. Women no longer simply run a shuttle backwards and forwards, or work in the typing pool, or answer telephones. They can now look to the future, so that their families' prosperity can grow.

The schizophrenic approach of the Conservative party would condemn women to lives on benefits, without a choice of well-paid employment, until their children were 11. However, when the children reached 11, women would be told that they had to go to work, regardless of the type of employment available, or of the skills that the women were supposed to have been able to acquire.

The Government support families and take account of people's skills and enterprise. The Conservative party does none of those things, and the amendment is therefore absolute nonsense.

8.21 pm

Mr. Edward Davey (Kingston and Surbiton): Many hon. Members—especially Conservative Members, but also a few Liberal Democrats—have said that the Queen's Speech was rather timid and cautious. They are right, but one element of the speech is historic in the economic benefits that it will bring. That element is the Government Resources and Accounts Bill.

That Bill is one of the most important measures to be introduced in this Parliament. It represents the most major reform of public finances since the time of Gladstone. Given that Gladstone was a Liberal, the House will not be surprised to hear that Liberal Democrat Members will support the Bill on Second Reading, which takes place soon.

Mr. Letwin: I am most grateful to the hon. Gentleman for giving way with his usual courtesy. Will he explain why the Bill should represent the most important reform since Gladstone, when the resource accounting system that it proposes will create a public sector balance sheet that omits hospitals, schools and most other major public assets?

Mr. Davey: The hon. Gentleman ought to examine how local authorities and the NHS deal with capital assets, as such organisations are already moving towards using similar procedures in their balance sheets. I am looking forward to the debate on the Bill even more than before. If the hon. Gentleman does not understand public accounts, he should not be a member of the Opposition Front-Bench economy team.

Mr. Letwin: I am doubly grateful to the hon. Gentleman, who is completely right: I have not understood the public accounts, and I wonder whether any living human being could. The Government Resources and Accounts Bill will not bring any greater clarity to those accounts, which would now defeat any mortal.

Mr. Davey: I completely disagree with the hon. Gentleman. I am surprised at his intervention, as I was about to say that the Bill, and the processes in the Department and in Whitehall leading up to its publication, show the House at its best. The proposals on which the Bill is based were put forward by the right hon. and learned Member for Rushcliffe (Mr. Clarke), the Chancellor in the previous Conservative Government. They have been studied by the Public Accounts Committee, by the Select Committee on the Treasury and by the Select Committee on Procedure. As a former member of the Procedure Committee, I am now, as a current member of the Select Committee on the Treasury, looking forward to scrutinising the Bill.

Until the hon. Member for West Dorset (Mr. Letwin) decided to intervene, I had thought that the Bill had the general support of the House.

Mr. Letwin: I am triply grateful to the hon. Gentleman. I absolutely agree with him that the motive behind the

Bill is marvellous. When my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) introduced resource accounting, we were all four-square behind it. We had no objection to it whatsoever. However, is not the Bill about the emptiest version of resource accounting that any Government could have conceived of?

Mr. Davey: I advise the hon. Gentleman to stop digging. The Bill will replace the Acts of 1861 and 1921 that brought in appropriation accounting. The Bill will provide the legislative procedures to ensure that the House will be able to hold the Government to account on resource estimates.

I shall scrutinise the Bill to make certain that it does its job properly, but I am very surprised at the Conservatives' apparent opposition to it, especially as the earlier remarks of the right hon. Member for Horsham (Mr. Maude) seemed to contain some support for it. Sadly, however, he went on to be grudging about the Bill and to make some unsubstantiated allegations that it was to do with creative accounting. That appeared to relate to the amendment, which states that the Gracious Speech

"does nothing to ensure that the public accounts are honest and open".

For all its other failings, the Queen's Speech contains proposals for a Bill to deal with the public accounts that will ensure that Parliament has the information that it has lacked for decades. The Conservative amendment is therefore especially inappropriate.

I shall dwell for a couple of minutes on the benefits that the Bill will bring. We applaud the Government on its introduction. The Bill will improve the way in which Whitehall and Government Departments account for capital spending. In the past, there has been a bias against capital spending in the public expenditure survey rounds.

The Bill will mean that Ministers and public sector managers have better information. That will improve the decisions that they make, and ensure that the bias against capital spending no longer exists. As a result, our capital assets, which play a key role in underpinning the strength of our economy, will be properly maintained and will receive proper investment. The capital wealth of our nation must not be forgotten when scarce resources are allocated.

The hon. Member for Sevenoaks (Mr. Fallon) mentioned the national assets register, which is connected with resource accounting and budgeting. The Government have not taken the opportunity provided by the register to try to allocate our capital resources more effectively before the Bill is introduced. They could have disposed of more assets and reinvested the proceeds into our public sector stock. It is a shame that they have not done so.

A second major advantage of resource accounting and budgeting is that it will link the spending authorised by the House to objectives, outcomes and outputs. That is a major and highly welcome change, at the cutting edge of the reform of public sector finances. The question is one of sensible, rather than dishonest, accounting processes.

Most importantly, the Bill will improve the House's ability to hold the Executive to account. For a long time, the House has lacked the information necessary to scrutinise departmental budgets. The Bill will provide four additional schedules of information, so that the House will be able to inspect a proper balance sheet, and a proper statement of profit and loss.

Conservative Members shake their heads and deny that that is so, but that is not good enough. If they had introduced the same proposals on a fast track when they were in power, we would by now be able to have decent debates about the public accounts. I am sure that a close inspection of the accounts of the Tory Government would have revealed not only dishonest, but some incredibly creative, accounting practices.

I said in my opening remarks that this was a timid Queen's Speech, particularly with regard to spending and aspects of public service reform and investment, apart from the accounting side. The Government have a huge majority; they have a huge lead in the opinion polls; they have a massive amount of money in the Exchequer, and they have huge surpluses. Yet, with all their political, economic and financial strength, they are still extremely cautious. They have not provided a vision for investing in our public services.

The Chancellor seems to take great pride in prudence, but it is not a big step from Miss Prudence to Scrooge. The sort of prudence that leaves our public sector under-invested is actually financial irresponsibility, which stores up social, environmental and political costs for the future.

Previous Labour Chancellors have frequently not had enough money in the coffers. In the 1970s, for example, Lord Healey had to ask the International Monetary Fund for help in sorting out the Government's finances. Some Chancellors have looked desperately for ways in which to cut public expenditure. The Government have £9.5 billion in surpluses in this financial year; they will have £11 billion in the next financial year and £13 billion in the financial year after that. On current figures, there is clearly enough money in the kitty, and that does not even take into account the huge contingency reserves that are, quite rightly, included in the accounts.

Various City commentators believe that the current surpluses are based on very cautious projections of growth. The chief economist of CCF-Charterhouse, Richard Jeffrey, was quoted in the *Financial Times* as saying:

"Undoubtedly for political reasons, the probable budget surpluses over the next 2 years have been underestimated by at least £5 billion a year".

If we had proper forecasts based on realistic forecasts of growth, the surpluses would be even larger.

The Chancellor has a huge war chest at his disposal. The question is, when should he spend some of it? Should it be in this financial year or in the next financial year, or should he leave it until the Budget before the general election? Thinking about timing makes me think about the needs that I see across the country, in the capital and in my constituency. Many people believe that Kingston, the London borough that I represent, is very affluent. While some areas may be, it is not homogenously affluent—we have pockets of severe deprivation. More importantly, from the Government's perspective, Kingston's hospitals, schools and police force are in great need.

London's housing price boom, which has been mentioned by several hon. Members, presents real problems for people working in the public services in the capital, because it is pricing them out of working in the public sector. They have been expensively trained to work in the public sector; they have been to university,

[Mr. Davey]

gaining detailed qualifications at the taxpayers' expense over a number of years, but they can no longer afford to work in the public services, particularly in London.

The chief executive of Kingston hospital was having such problems recruiting nurses that he had to spend a special team to the Philippines to recruit nurses there. The Government say that they are against recruiting nurses from abroad, but if they do not tackle the problems of public sector pay in London and in my constituency, the chief executive of Kingston hospital will have to repeat that process to plug the gaps in his nursing staff.

The nurses from the Philippines are well qualified; they have been integrated into Kingston hospital, and are very caring, but they are on two-year contracts and will, at the end of their term, return to the Philippines, to be replaced by other recruits from the Philippines or from somewhere else. That is not a sustainable way to run a health service.

When I knock on doors in my constituency, I meet ladies and gentleman who were trained to work as nurses—indeed, as senior nurses. They would like to work in the health service, but can earn more working in offices and supermarkets. That is ludicrous.

Under the previous Government, the number of police officers in Kingston was reduced by more than 40 and, under this Government, it has been reduced by more than 20. The Commissioner of Police of the Metropolis is having real problems recruiting officers. He says that the youngest constables have to survive on housing benefit because of the high rents and house prices in London. That is not sustainable.

High rents and house prices also cause problems for pensioners. In my constituency, pensioners face an increase in their council tax bills of £90 this year because of the Tory council. That wipes out their pension increases, but the Government have offered them 73p a week and told them to be grateful for it. That is ludicrous. It is no wonder we had an interruption earlier today. When the Secretary of State for the Environment, Transport and the Regions outlines the local government grant settlement tomorrow, I hope that he will take account of difficulties in the London boroughs where people face high costs and where it is difficult to recruit teachers. I hope that the grant settlement will allow the Metropolitan police service enough money to recruit officers and to pay them the wages that they need simply to survive in the capital.

The Queen's Speech lacked the vision required for a modern, high-quality public service. It lacked the vision required if we are to have the best education for our children and the best schools in the world. It failed to ensure that the United Kingdom would be prepared to take its proper place as an outward-looking economy at the heart of Europe. That is why the Liberal Democrats will vote against it.

8.36 pm

Mr. Christopher Leslie (Shipley): The hon. Member for Kingston and Surbiton (Mr. Davey) must have heard a different Queen's Speech from the rest of us. Now that we have heard Liberal Democrat economic policy, there may be some consensus across the House. The hon. Gentleman suggested that it was bad that Government finances had gone into surplus, and that all the money—some sort of war chest—should instantly be spent. In fact, however, we can start to repay some of the national debt and to reduce the £26 billion consumed annually by debt service payments. That money can be used for investment, which is precisely the Government's strategy.

The recklessness and irresponsibility of the Liberal Democrats has already been demonstrated from their Front Bench by the hon. Member for Truro and St. Austell (Mr. Taylor). He told us his plans for a carbon tax, which would somehow offset the Liberal Democrat pledge to raise the personal income tax allowance to around £10,000. They want to spend more and more, but to cut the tax burden, too. How will they do that? And what on earth would the carbon tax mean? Would it be added to fuel duty? What sort of carbon are they talking about? *[Interruption.]* Clearly, the Liberals cannot take the heat as some of them are leaving the kitchen.

Mr. Davey: Does the hon. Gentleman know that carbon is an element and that there is only one sort?

Mr. Leslie: If the hon. Gentleman wishes to be pedantic, he might explain which form of carbon he would tax. Will it relate to fuel duty, or to diesel? Will it affect electricity? Will it be across the board? People deserve to know what the Liberal Democrats mean to do.

Mr. Letwin: I thought at first that the hon. Gentleman was merely having fun, but as he is serious, let me explain the difference between the carbon tax and an energy tax. The former, although we do not propose it, is at least rational in that it taxes those whose emissions are environmentally dangerous, while the Government's proposed energy tax specifically fails to do so.

Mr. Leslie: Carbon dioxide and hot air may both fall under a tax, which would obviously mean a heavy levy on the Conservatives and the Liberal Democrats. It is interesting that the two parties have teamed up and that the Tories see the merit in Liberal policies.

It is a curious anomaly that the Conservatives have moved an amendment to the motion but that their Back Benches have remained empty throughout the evening. Tonight was their golden opportunity to criticise the Government and to set out the future of the nation as they see it. They have miserably failed to take that opportunity. At the 1997 election, the Tories tried to propagate through their "demon eyes" campaign the scare tactic that Labour should not be allowed to blow it. Not only has Labour not blown it, we have improved matters. We have shown convincingly that stability and confidence can be put in place by a sensible left-of-centre Government. I am proud of our stewardship, which has dispelled the myth that Labour Governments are imprudent and incautious.

It was interesting to read today the comments of the International Monetary Fund on how well the economy is performing. There is clearly a consensus internationally on how the Government and the Chancellor are managing the economy. I am pleased that we have been able to put firm foundations in place for the future.

I come to the progress of our monetary policy. The Monetary Policy Committee and the independence of the Bank of England have enabled us to create a safer and more transparent way of setting interest rates that is free from the political dogma and the whims of the partisan

Conservative party. In October 1998, the right hon. Member for Horsham (Mr. Maude), the shadow Chancellor, said:

"We would not have given up control of interest rates in the first place."

Therefore, we can all assume that, should the prospect of the Conservatives returning to government ever materialise—on the form that has been apparent this week, that is a distant prospect—they would reverse the Bank of England's independence. In the absence of any other policy from them, we wait to hear whether that is so. We need to contrast the stability that has been set in train by this Government and the stop-go economics that the Conservatives would restart.

Fiscal policy is the other side of the equation, so we must also examine the Chancellor's policies not just for expenditure, but for taxation and public borrowing. As I said earlier, an enormous amount is wasted each year—£26 billion—to finance past borrowing. We should try to reclaim that money by beginning to pay off the national debt. That is the sensible way of managing our budget.

The "Haguenomics" theories of the Conservatives have created a credibility gap. Somehow, they believe that they can have a golden rule on borrowing, which will create a balanced budget—they have taken a copy of the Gramm-Rudman amendment from the United States—along with a tax guarantee stating that the proportion of the gross national product going on public expenditure should constantly decrease. What on earth will they cut to achieve that?

We have heard this afternoon that the shadow Chancellor once said that he wanted public expenditure to be reduced to about 25 per cent. of gross national product. That presages a variety of worries for many people—and not only in health and education, but in other policy areas.

Mr. Letwin: Does the hon. Gentleman recollect from his school days the power of compound arithmetic? Does he accept that, if public spending grew by one percentage point less than gross domestic product each year for 15 years, we would achieve exactly that result?

Mr. Leslie: I shall not talk about my school days, because they are obviously very distant. However, what is the effect of a downturn on public expenditure? If a downturn ever occurred, the shadow Chancellor's pledge would mean that he would be forced to scale back on public expenditure much more harshly than would otherwise be the case. In a downturn, expenditure would be needed on the jobseeker's allowance and other welfare payments—unless, of course, the Conservatives plan to cut the jobseeker's allowance. We have to consider the possibility that they would slash such benefits. We have heard that the working families tax credit would go over the edge, but we should ask about other things, too.

The Conservatives say that we are being reckless and irresponsible on social security spending. Are they referring to the £100 winter allowance for pensioners? I assume that they are. What about the significant increases in child benefit? Such payments come under social security expenditure. Are those the areas of expenditure that Conservatives think should be cut? Do they think that such priorities should not be funded? Many people would like to know. I would be happy to give way for a Conservative Member to make a commitment on such matters. I do not think that they will; that is the problem with the Conservatives these days.

If I were not a Labour Member, I would start to feel sorry for the Conservatives. They have a long way to go. I do not know how old I will be by the time that there is another Conservative Administration. I could well be in my fifties or sixties; I might even qualify for a free television licence as an over-75-year-old. I suspect that the shadow Chancellor would not be in post for very much longer, in the unlikely eventuality of Michael Portillo winning the Kensington and Chelsea by-election. It will be interesting to see how swiftly he progresses to the Front Bench and exactly whose job he will take. There will probably be much nervousness on the Conservative Front Bench. *[Interruption.]* I am sure that the hon. Member for East Worthing and Shoreham (Mr. Loughton) will not be laughing on behalf of the leader of his party.

We must scrutinise exactly what the Conservatives threaten and what risks they would create in many other areas, too. The hon. Member for Rochford and Southend, East (Sir T. Taylor), who is admittedly on the extreme edge of the Conservative party—his comment is none the less a hint for the future—talked of ridiculous farming subsidies.

Mr. Loughton: It might be useful to the House if the hon. Gentleman remembered that we are debating his Government's Queen's Speech and not the Conservative party's.

Mr. Leslie: I am addressing the Opposition amendment. I am trying my best to draw dividing lines between Government policy and what the Opposition oppose and propose.

Farming subsidies are very important. When, for some reason, I was watching "Dimbleby" one Sunday about two weeks ago, I noticed that the shadow Chancellor said:

"Investment in industry is something Governments should not be doing anyway."

We must presume that that refers to farming subsidies and all sorts of arrangements that support industry.

Kali Mountford: Research and development?

Mr. Leslie: As my hon. Friend suggests, that could include research and development.

Had the Government not created today's financial climate, we would not be able to afford some of the major capital investment and infrastructure improvements that are coming on line, not only in my constituency but elsewhere. Those are the issues about which people are concerned.

Let us consider Conservative attacks on the burdens on business and regulation. When one asks what they are, one is of course told of the working families tax credit and the minimum wage—and even the Financial Services Authority, which has been criticised in this debate. It will be interesting to see what position Conservative Members take on that. We need to know the areas in which the Conservatives are proposing to scrap, keep or amend policies. Answers and further explanations are required.

In my constituency, only 1,500 people are out of work and claiming benefit. The figure has reduced significantly since the election. The savings of my constituents,

[Mr. Leslie]

especially pensioners, are a lot safer thanks to continually low inflation. Economic growth is gradually and steadily benefiting many people and prosperity is increasing. That is in enormous contrast to where we would be under the Conservatives, who have lurched to the right. They would create risks, particularly threatening vital public services—should they ever get their hands on power again.

8.49 pm

Mr. Edward Garnier (Harborough): Following the hon. Member for Shipley (Mr. Leslie), I wonder whether his mother knows that he is up this late. I am sure that the Government Whips do, because it is they who have enabled him to read out that fascinating speech. There are some speeches that those in the Whips Office do not need to read in *Hansard* the next day because they have read them beforehand.

However, there are other speeches that those in the Government either will have listened to, or will read tomorrow, with interest, and they were made by two Labour Members from the north-east—the hon. Members for Blyth Valley (Mr. Campbell) and for Newcastle upon Tyne, North (Mr. Henderson). From those two we heard the voice of sceptical Labour, uncontrollable Labour—a voice that the Government should listen to as they continue their Teflon march to the end of the debate on the Queen's Speech.

I usually approach economic debates with considerable diffidence, especially in the presence of people such as my hon. Friend the Member for West Dorset (Mr. Letwin), who has spent both his academic and his professional life studying economics in some depth. However, today I have been emboldened by the performance of the Chancellor of the Exchequer. I use the word "performance" because, if he fails to impress the Prime Minister as a leading politician in the Labour Government, the right hon. Gentleman has a good career ahead of him on the stage—but I am not sure from which end of the pantomime cow his speech came.

That speech was a classic of its sort, and I trust that the right hon. Gentleman will repent it before long, because it failed to address any of the points made either by my right hon. Friend the shadow Chancellor or in any of the interventions. Worse than that, the Chancellor must have been suffering from some form of physical, if not mental, exhaustion, because he kept having to sit down, perhaps to have a little rest, from time to time. I was sufficiently puzzled to think that he had given up speaking, and I began to address the House myself—but the right hon. Gentleman recovered himself and managed to complete his speech, such as it was. I then had to wait from about 3.30 until now to make my short contribution.

I shall concentrate particularly on the part of my right hon. Friend's amendment to the Loyal Address that mentions the

"huge rise in burdens on business"

and the absence of

"proposals to reverse the decline in Britain's productivity growth".

I regret the fact that, despite his sometimes amusing performance, the Chancellor failed to deal with those criticisms and let down his office, if not himself. In his jokey performance, we saw a man more impressed by gimmicks and theatricality than by substance. He is a man of huge intellectual ability and political success, but he disappointed us all this afternoon. In particular, he disappointed his two hon. Friends from the north-east, whom I mentioned earlier.

Over the past few months, in the pre-Budget statement and in the right hon. Gentleman's speech today, as well as in what his supporters have said, we have heard a series of gimmicky statements that reflect the gimmicky business tax reductions that the Government have been pleased to shower upon us.

Those tax reductions are reduced to total insignificance in comparison with the £30 billion-worth of tax increases on business that the Government have already announced. Although I say that they have "announced" those increases, they have not, of course, stood up in the House of Commons and said up front, "Here we are, business community, here's £30 billion in increased charges that you will have to pay." No, they sneaked the increases in through the back door.

Ms Ruth Kelly (Bolton, West): Will the hon. and learned Gentleman give way?

Mr. Garnier: I would love to, but unfortunately, owing to the 15-minute deadline—

Mr. Leslie: Injury time?

Mr. Garnier: I do not wish to be injured by the hon. Lady. However, there is a 15-minute limit; she undoubtedly has ready a speech that the Whips passed to her earlier, and I know that she will read it out most capably in due course. If she would like to respond to what I have to say during her 15 minutes, I am sure that the House would be pleased. It is—*[Interruption.]* No doubt the Leader of the House, who is chattering from a sedentary position, will give the hon. Lady full praise—

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): I would be happy to intervene, but I understood that the hon. and learned Gentleman was not giving way.

Mr. Garnier: If the right hon. Lady would have the courtesy to listen to the end of my sentence, she would perhaps understand that she leapt to her very dainty feet rather too early. I invite her to resume her seat. She will have an opportunity to reply on behalf of the Government to the criticisms made of their economic policies by my right hon. Friends the Members for Horsham (Mr. Maude) and for North–West Hampshire (Sir G. Young). I suggest that she has a difficult task ahead of her. None the less, that is what she is paid for.

I draw to the attention of the House the Government's failure to understand the difficulties in which they have placed the business community, and especially the small business community, which is in trouble. I cite the example of my constituency which, like that of my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley), is based upon an ancient market town with a population of between 20,000 and 25,000. It is the hub of a rural and agricultural hinterland and, in the town and in some of the villages and other larger communities, including the area

called Oadby and Wigston, are to be found small family businesses. I suggest that none of them will have a turnover of much more than £500,000.

We do not have the big industries that are prevalent in the north-east, such as coal, steel or shipbuilding, which the hon. Members for Blyth Valley and for Newcastle upon Tyne, North were keen to tell us about. As I say, there are small family businesses that are reeling under the imposition of regulations and business burdens that have been placed upon their shoulders by the Government. That is in addition to the interest rate rises and exchange rate problems with which they have to deal.

Light engineers, shoe manufacturers and the firms that make parts that go into shoes and the products that form parts of other products, such as clothing, are—I have conducted a survey to establish this—suffering from an excess of regulation and interfering fussiness from the Government, which inhibits them from getting on with what they want to do, which is to expand, to employ more people, to export outside the United Kingdom and to export within the east midlands and the greater United Kingdom. Nothing that the Government are doing is assisting them.

I complain also about the Government's failure to do anything positive to support the business culture. They only listen to their own rhetoric. They are slack on innovation and they are failing to introduce procedures and a culture that will allow small start-up industries, especially in information technology. We have had exchanges about IR35, and I regret that interventions from Labour Members have been deeply unconvincing. We have heard nothing intelligent from the Government that would produce a climate of innovation. We shall be the poorer for that, and our constituents and their businesses will be the worse. In other countries, especially the United States, the culture of innovation and the culture that allows people to spend huge sums on research and development are not encouraged by the Government.

Kali Mountford: Will the hon. and learned Gentleman give way?

Mr. Garnier: I have already expressed regret that I could not give way to the hon. Member for Bolton, West (Ms Kelly). I repeat my regrets to the hon. Member for Colne Valley (Kali Mountford), who had 15 minutes earlier to educate us.

In respect of training and education, the promotion of young and new businesses, and the promotion of enterprise zones in the sense mentioned by the hon. Member for Newcastle upon Tyne, North, the Government have produced a catalogue of failure. Businesses need to be left alone to trade, to employ and to earn the money out of which the Government can take their due tithe in taxes. What is not needed is Mr. Whitehall sitting on the shoulder of the small company, telling it how to behave or what to do all the time. Small firms are desperate for the Government to get off their back.

I am acutely worried that, for all the Chancellor's talk about enterprise, he believes that he is cleverer and wiser than the market, and that that entitles him to intervene and interfere to a large extent to produce his desired micro-income. His so-called cleverness leads to damaging results for my constituents, for their small businesses, and for the economy of the country as a whole. While the Chancellor fiddles with the tax system, making it increasingly complex and difficult to understand, he has nerve to come to the Treasury Dispatch Box and announce that he is the friend of the business world.

The Queen's Speech contains an extraordinary paragraph, which states:

> "As part of my Government's drive to address inappropriate and over-complex regulation, legislation will be introduced to increase the effectiveness of the power to remove regulatory burdens."

My hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) mentioned the figures, which speak loudly for themselves of the huge increase in regulations and secondary legislation that bear down on the ability of our constituents to earn a living and benefit the country.

I do not know what measures the Government propose to introduce to

> "increase the effectiveness of the power to remove regulatory burdens",

but if the Government's current performance is anything to go by, that paragraph of the Gracious Speech is just part of the great Labour lie. It is high time that the public were treated—

Mrs. Beckett: Speaking of lines handed out by the Whips Office.

Mr. Garnier: I have a copy of the Queen's Speech, which was written by the right hon. Lady's Government. I dare say that there may be the odd copy of it in the Government Whips Office, and the occasional Labour Member may have the independence of mind to disagree with the hot air and guff that Her Majesty was required to read out on behalf of her Government.

The paragraph that I quoted sows the seeds of despair in me and in all those who wish the Government well in so far as they are the Government of our country, but who are desperately concerned that the Government's proposals are calculated to cause increased damage to our economy, and particularly to those parts of the economy in which small businesses try to earn a living.

9.3 pm

Ms Ruth Kelly (Bolton, West): It is my privilege to speak in the debate on the Queen's Speech relating to the economy. I welcome the Gracious Speech, in particular the commitment to enterprise and fairness, high levels of economic growth and employment. The Government's central objective is to deliver high and stable levels of economic growth and of employment.

The Government have a clear strategy. The hon. Member for Kingston and Surbiton (Mr. Davey) accused the Government of not having a clear vision. Of all Governments since the second world war, this is the Government with the clearest vision of how they will take the economy forward. They have a clear strategy to help people back into work, with a new deal tailored to help individuals with particular difficulties, and to make work pay, with the introduction of the minimum wage, cuts in income tax and the introduction of the working families tax credit. Central to all of that is the prudent management of the public finances, to ensure that there is no return to the days of boom and bust that we experienced under the Tories.

[Ms Ruth Kelly]

The Gracious Speech entrenches economic stability as the platform for growth and employment. The economy's success has indeed been remarkable. I took the precaution of reading some comments on my right hon. Friend the Chancellor's latest pre-Budget statement, all of which were favourable. One eminent commentator, Martin Wolf, who can hardly be described as a keen Labour supporter, referring to economic stability, said:

"Mr. Brown can now treat this not just as an aim but as an achievement . . . Despite the global turbulence of the past few years, the performance of the economy, the public finances and the monetary policy committee he established in the Bank of England has been outstanding. The reason the UK has experienced only a modest slowdown in growth rather than another full-blown recession is the outstanding control over inflation".

He went on to say that the most important factor was the independence of the Bank of England—a clear strategic success in policy making.

The success in controlling inflation can be seen not only in the headline inflation rate, but in people's expectations for inflation over the coming years. For the past two years—almost since the general election—inflation expectations have been within 2 or 3 per cent. a year, well within what one would expect the margin of error to be. The differential between UK and German long-term interest rates is also at a historically low level and, as set out in the Gracious Speech, long-term interest rates are at their lowest level for almost 30 years.

My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) referred to the composition of the Monetary Policy Committee, but I disagree with him that its make-up is a problem. It is necessary to have the best possible expertise on that committee, with the highest quality of debate and the widest information available to the members of that committee, and that is what we have at the moment. The standard of debate in that committee has leapt since the days before the Bank's independence, and that is reflected in its success.

It is the role of the Bank's court to ensure that regional information is fully incorporated into the analysis of the members of the MPC. From my experience, the Bank is open to regional information and takes considerable care in incorporating different views from around the country. It has a network of bank agents, which it has developed considerably during the past two years, whose specific role is to listen to businesses and economic actors, and to ensure that their expectations of price changes and their behavioural changes are incorporated into the Bank's forecast and analysis of information.

The other major strategic policy success has been the fiscal rules—the golden rule, which is complete common sense, that one should spend no more in any given year on current outgoings than one receives in current income, and the second rule that borrowing for investment should be kept at a reasonably credible and stable level during the economic cycle.

The current budget is now forecast to be in surplus to the tune of £9.5 billion this year, up from the £2 billion forecast at the time of the last Budget, and to remain at about 1 per cent. of GDP until 2003-04.

Perhaps the most remarkable fact about last year, however, is that the economy has continued to grow, despite all the dire forecasts of recession and the Opposition's scaremongering. I look back now with incredulity to predictions made by the shadow Chancellor who, in August 1998, said, "The outlook is bleak"; in September 1998,

"what I do know is that the downturn will turn out to be longer and deeper than it need have been";

and in October of the same year in his conference speech:

"This is a downturn made in Downing Street."

I wonder whether he regrets those words now. Perhaps, at the time, he was genuinely trying to make political capital in the only way he knew how—by talking down the economy. Last year, he accused the Chancellor of fantasy forecasting and Peter Pan economics—now we know which party lives in never-never land.

The Conservative party could not accept Bank of England independence and the tough new fiscal rules. It could not accept that those policies would create the economic stability that now exists. We still do not know whether it would keep or abolish Bank of England independence, the tough new fiscal rules, the minimum wage or the working families tax credit. From time to time, we are accused of introducing stealth taxes to rectify the macro-economic disaster that the Tories bequeathed us, but the Conservatives have stealth policies.

Kali Mountford: I thank my hon. Friend for giving way before she moves on from stability. I am conscious of the fact that she is an expert on the economy. If we change the policies that she described, especially that of keeping to the golden rules, does she believe that we will return to the so-called dynamism that existed under the previous Government, with its attendant job losses in steel, coal and textiles in my constituency; or does she, like me, advocate stability that encourages long-term investment?

Ms Kelly: My hon. Friend makes an excellent point. If we abolished Bank of England independence and the tough new fiscal rules, we would return to the boom-and-bust policies of 18 years of Tory rule. No one in this country wants that. The Chancellor knows exactly where he is heading, not only through his prudent economic stewardship but through the Government's remarkable economic ambitions for this country and its people.

I shall respond in my own speech to the charges of increased taxation that the hon. and learned Member for Harborough (Mr. Garnier) made although he did not allow me to answer through intervention on his speech. I compared the figures for taxation under the Government with the Conservative Government's plans. As anyone can verify, the burden of taxation is less under this Government than it would be under Conservative plans.

Mr. Page: So we are responsible?

Ms Kelly: Yes.

Ms Keeble: Does my hon. Friend agree that the average household will be £380 a year better off as a result of the last Budget and that the direct tax rate for a typical family is at its lowest for 25 years?

Ms Kelly: That is an excellent point, which I shall develop later. First, I want to consider the Chancellor's

ambition of increasing productivity. He supports raising productivity to give everyone the opportunity to work and to ensure fairness. Productivity must be increased to create fairness and to promote enterprise.

Between 1950 and 1996, productivity growth in Britain was only 2.6 per cent. a year compared with 3.7 per cent. in France and 3.9 per cent. in Germany. If we can increase productivity, we can bridge the gap with our competitors, create high employment and raise living standards. One method of achieving that is to increase employability and skills.

I especially welcome the new deal for the over-25s, which ensures that everyone who is out of work receives active, tailored advice to gain the skills and experience that they need to get back to work. Such support chimes in completely with the modern, dynamic labour market, which is being transformed by information technology. In that market, people change jobs more often and skills are at a premium.

A year ago, I made a rather forlorn trip to a factory in my constituency to visit the managing director of Horwich Sewing, who had told me that his company had found it impossible to continue in the constituency. It was to move to eastern Europe because he did not see a future in the sewing industry in my part of the world. The visit was pretty depressing and there was nothing that I could do to change his mind, but the story soon reversed.

Recently, I accompanied my hon. Friend the Minister for Competitiveness on a visit to a brand new factory located on the same site in my constituency. It, too, is a textile factory, but it is not a low-skill operation—it is high tech and high skill and relies on new polymer technology. Within three years, it had transformed its turnover from slightly more than £1 million to £12.5 million, which is more than a tenfold increase; but the success of the company is not only about technology—it is about people. Its culture is people centred and all its staff are members of the company so they share in its risks, rewards, hopes and fears. We have to replicate that success right across the country. We have to turn Britain into an entrepreneurial society, unleashing creativity and enabling people to take their destinies into their own hands.

A recent survey in Lloyd's "Economic Bulletin" showed that only one in 30 people in Britain want to start their own business compared with one in 12 in the United States. We have to change that. We have to reach into the poorest communities to tap the potential of all our people and offer them opportunities that, until now, have been the preserve of the few rather than the many. The economic future of our country demands an investment in its people, their skills and their ideas. That is the only way that we can hope to compete in a globalised economy and it is also a demand of social justice. That is why I welcome the commitment to turn Britain into a dynamic, knowledge-based economy. I welcome in particular the new scholarships for dynamic business men and women in the poorest and most deprived neighbourhoods in our country, which will offer them the opportunity to learn new skills; the lessons in entrepreneurship in schools; and the new regional venture capital funds.

Many hon. Members have mentioned the divide between the different regions in this country. My constituents will not become better off through poor macro-economic management, however. They will be helped only if we can unleash entrepreneurial activity and their entrepreneurial potential, and give them the opportunities that they deserve.

One of the most important economic ambitions set out by the Chancellor is the end to child poverty. By next April, child benefit for the first child will be £15 and, for the typical family, child benefit and the children's tax credit will be £23. With tax cuts, the tax burden for the average family will be cut to its lowest level for 25 years. That is an honourable ambition in the best tradition of the Labour party. Enterprise and fairness to families and children must go hand in hand; if they do not, our whole society will suffer. We have made a start by moving towards enterprise and fairness. The Government have rejected the boom and bust of the Conservative party, taken the politics out of setting interest rates by giving independence to the Bank of England, cut the deficit and put the public finances back into good shape. We are taking strides towards a full-employment economy, making work pay and investing in our people and their ideas. I welcome the Gracious Speech most wholeheartedly.

9.19 pm

Sir George Young (North-West Hampshire): Let me begin by saying a word or two about the high-quality debate that we have had. I shall then put it in the broader context of the debates that we have had over the past week.

Not even his most ardent supporter could assert that the Chancellor's speech was one of his finest. He seemed to be in a particularly bad mood this afternoon, but he gave my party advance notice of the line of attack that the Labour party will deploy against us at the next election. It struck me as rather implausible, but we are grateful for the notice of where Labour will be coming from. Like the Prime Minister at Question Time, he was struggling to deny that taxes are rising under the Labour Government.

The Chancellor was followed by the hon. Member for Truro and St. Austell (Mr. Taylor), who identified some rather worrying factors in the economy that the Chancellor had overlooked, such as the high pound and its impact on exports and manufacturing industry, higher house prices, which have been in the news today, and the north-south divide, which was a theme running through the debate. Along with other Liberal Democrat Members, he developed the war chest theory of politics. That is obviously a convenient theory for the Liberal Democrats, because they can feel free to spend it. They contrasted the sums that they alleged were accruing in the war chest with the problems of delivery that confront the Government on health and education.

We listened with respect, as we always do, to the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), who made a similar speech to the one that he made in the same debate last year. He continues to be worried about the high interest rates set by the Monetary Policy Committee, and their impact on employment in his constituency. He made an interesting comment about hypothecation. That issue is worth a serious debate on its own. If hypothecation is to re-enter the public accounts, we should have a debate along the lines suggested by the right hon. Gentleman. What are the ground rules? How do we deal with the point raised by my right hon. Friend the Member for South Norfolk (Mr. MacGregor)?

[Sir George Young]

What would the baseline have been before the hypothecated stream of revenue came in? The right hon. Member for Ashton-under-Lyne was right to put down a marker about hypothecation, and we should look into that issue again on a different occasion. He made, as he always does, an eloquent case for immediate entry into EMU.

My right hon. Friend the Member for South Norfolk asked for a Government statement on a pesticide tax. That is of concern to farmers, and would have a serious impact on agriculture. He asked for a clear answer, and I hope that he will receive one when the Leader of the House winds up the debate.

My right hon. Friend rightly said that the pig industry was on its knees, and made the case for some short-term, targeted assistance to help with the welfare and other costs borne by farmers in this country but not by some of our competitors. He raised a serious issue about savings, which also needs a debate on its own. He drew attention to the worrying decline in the propensity to save, and identified some of the reasons for that, such as the change from PEPs and TESSAs to ISAs and some of the Government statements that may have undermined confidence in the pensions industry. He introduced the House to Mr. FRED20—an important character who is doing some seriously damaging work in the City of London.

I listened with interest to the right hon. Member for Llanelli (Mr. Davies). I congratulate him on the research that he has undertaken to identify the origins of the third way. He went all the way back to 1944. He made an old Labour speech, and it was none the worse for that. He was concerned that the Chancellor would be trapped by his own rules and prevented from doing the things that his party wants to see done. He outlined some of the problems of delivery that a number of hon. Members have mentioned during the debate.

My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) reminded us of the wisdom of my right hon. Friend the Member for South Norfolk in getting an opt-out. He made a trenchant speech about the common agricultural policy, and about the Financial Services Authority and some of the risks of tax harmonisation.

I listened with interest to the right hon. Member for Camberwell and Peckham (Ms Harman), who referred to the research that she had commissioned on the impact on children of young mothers returning to work. She identified that what they really wanted was choice. She went on to say that the other side of the coin of choice for the mother was a regulatory burden on businesses. She made the case for assisting businesses with some of the additional burdens that have been placed on them. She asked for a new deal for families, which sounded to me like a new headache for the Chief Secretary, as it had one or two pound signs attached to it.

My hon. Friend the Member for South-West Hertfordshire (Mr. Page) spoke about the importance of productivity. That issue was not mentioned much during the debate, except by the hon. Member for Bolton, West (Ms Kelly), but it is clearly an important factor. My hon. Friend also spoke about the Post Office. I am sure that he will want to serve on the Standing Committee considering that Bill. It would be a tragedy if his great knowledge of the Post Office was denied to the Committee.

The right hon. Member for Coatbridge and Chryston (Mr. Clarke) spoke about the importance of assisting the third world. It was right that there was at least one speech in this debate on the economy that focused on assistance to the third world. It was a good speech on the same theme as his contribution in the Queen's Speech debate last year, but it was particularly timely as we move towards the WTO meeting in Seattle shortly.

The hon. Member for North Cornwall (Mr. Tyler) asked where all the radicals had gone, and said that parts of the Queen's Speech appeal to Labour's vested interests without facing up to some of the real issues confronting the countryside. The decline of the rural economy is not addressed by attacking those who hunt foxes.

We enjoyed what I believe was the first post-ministerial speech of the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). He wrongly accused my party of being remote from business, and was full of praise for the Chancellor; but he also spoke of the need to tackle the regional imbalance, and identified specific problems in the north-east. In that regard, he was echoed by the hon. Member for Blyth Valley (Mr. Campbell), who made what I considered to be a rather effective speech—a blend of humour and statistics. He illustrated the north-south divide by telling us about his daughter, who has just bought a house in the south-east. He advocated regional interest rates, but then modestly asserted that they would not work. He said—I wrote it down at the time—that in his constituency people were on their knees, and that contrasted with the rosy picture of the national economy painted by the Chancellor.

The hon. Gentleman also asserted that his constituency was losing revenue support grant to the south. I found that deeply worrying, because I happen to represent a southern constituency. We have lost revenue support grant, but we were told that that was because it was going to the north. Perhaps the hon. Gentleman and I should form a joint deputation to the Treasury to find out exactly where the money has gone. Perhaps it has gone to the midlands.

My hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) said that tax was going up. He identified, and quantified, the impact of the stealth taxes; he then made some helpful suggestions about business rates. He made the point that they had a disproportionate impact on smaller businesses, and generously proffered an item that was in our last manifesto—now, sadly, surplus to requirements—that would redistribute the burden, moving it from small businesses to those best able to pay the extra costs.

The hon. Member for Northampton, North (Ms Keeble) made a speech which will, I am sure, be well received in her constituency, and also in the Whips Office. My hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) spoke of the Financial Services and Markets Bill, and also put the British economy in a broader international context. He pointed out that, in such a context, our growth rates are not that hot, and that growth in productivity is slowing down; he also made the point about the north-south divide.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman give way?

Sir George Young: With respect, I must point out that the hon. Gentleman has not been present for the bulk of the debate, unlike a number of other hon. Members.

The hon. Member for Colne Valley (Kali Mountford) made a brave speech in defence of IR35. I suspect that, as I speak, her speech is whistling around the internet, and that, when she reads her mail tomorrow, she may find that highly literate people have taken exception to some of what she said. She also criticised what my hon. Friend the Member for Havant (Mr. Willetts) had said about single mothers, asserting that it was all sticks and no carrots. She should be cautious: that sounds to me like exactly the sort of policy that her Government may shortly introduce.

Until that point, no one had really focused on the Government Resources and Accounts Bill, but then the hon. Member for Kingston and Surbiton (Mr. Davey) asserted—I wrote this down as well—that it was the most important measure to come before the House in the current Parliament. I am sure that it will be useful in reforming the national accounts and helping us to make sensible decisions about priorities, but I must say that I do not expect it to live up to the star billing that the hon. Gentleman gave it.

The hon. Member for Shipley (Mr. Leslie)—a patient man, who sat through virtually all the debate—tried to paint my party as an extremist party. That, I think, lacked credibility.

My hon. and learned Friend the Member for Harborough (Mr. Garnier) had tried to make his speech earlier. Fortunately for the House, he then had four hours in which to polish the speech, which focused on the regulatory burden imposed on firms in his constituency.

The hon. Member for Bolton, West (Ms Kelly) began with some remarks about the clearest vision of any Administration. She is too nice and too clever to be deceived by her own oratory. We all know that there is no clear vision at all; it is all done by focus groups, and it changes from week to week.

It now seems much longer than a week ago that the debate on the Loyal Address was launched from Cumbria. Since then, there have been 127 speeches from Members, including two high-quality maiden speeches—I heard the speech by the hon. Member for Hamilton, South (Mr. Tynan) last week.

If one analysed the speeches of Labour Members, however, loyalty would not be the adjective that sprang to mind. In what is probably the last full Queen's Speech of the Parliament, the Government must have hoped that Members would queue up to pronounce their full support for the programme. On the first day, 12 Labour Members spoke and five expressed concern about the proposals in the Queen's Speech. Over the week, three major Bills attracted significant dissent from Labour Back Benchers. The Minister who used to have Cabinet responsibility for the Freedom of Information Bill, the right hon. Member for South Shields (Dr. Clark), was one of many who criticised that proposed Bill, saying:

"We are not there yet."—[*Official Report*, 17 November 1999; Vol. 339, c. 40.]

The Minister who had Cabinet responsibility for National Air Traffic Services, the right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang), disagrees with the Government about the proposed privatisation. He said:

"I have no doubt that many Labour Members are still trying to persuade Ministers not to privatise Britain's air traffic control."

On the same say, the hon. Members for Keighley (Mrs. Cryer) and for Reading, West (Mr. Salter) expressed similar doubts. The Chairman of the Transport Sub-Committee of the Select Committee on the Environment, Transport and Regional Affairs, the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), also attacked the NATS proposals and said:

"It is not sensible to hand over air traffic control to a private company whatever its nationality".—[*Official Report*, 18 November 1999; Vol. 339, c. 151, 165.]

Yesterday, the proposals on trial by jury were questioned by many Labour Members, having originally been opposed by the Home Secretary himself. On the first day of the debate on the Loyal Address, the hon. Member for St. Helens, South (Mr. Bermingham) went so far as to say:

"We are going to restrict the right to trial, and that is a matter that should cause concern to any person with libertarian feelings."—[*Official Report*, 17 November 1999; Vol. 339, c. 90.]

He went on to oppose the withdrawal of benefits from offenders who breach community service orders.

I suspect that those doubts resemble an iceberg. For every two Labour Members who voice their doubts in public, another seven share them in private. Therefore, the Government's legislative programme will not be the unifying, inclusive one that they wanted. It will be contentious and divisive.

In her article in this week's edition of *The House Magazine*, entitled "A better Britain for all", the Leader of the House found space for many of the smaller Bills in the programme. The bigger ones were less lucky. The mode of trial Bill got but 12 words. Astonishingly, nowhere in the entire article is there any reference to the Freedom of Information Bill, one of the flagships, or to the proposals for NATS. The business manager in her may wish that those Bills were not proceeding, but they are.

The language of the Queen's Speech is perhaps more partisan than it has been. It resembles last year's in one respect: "modern" or "modernise", which appeared 12 times in last year's Queen's Speech, appear 10 times this year, although the institutions covered by the Governments' enthusiasm for reform has widened to include the United Nations.

The Queen's Speech is different from all earlier ones in two respects. First, it is the first Queen's Speech whose Bills will be scrutinised by the transitional House of Lords. Secondly, it is the first Queen's Speech since devolution. It is worth spending a moment reflecting on those two points, which have not been commented on before.

Reading *The House Magazine* for 27 September—the editor is just behind me—I read that Baroness Jay said that the interim House of Lords

"will be more legitimate, because its members have earned their places, and therefore more effective in playing its part in our bicameral institution."

In *The Parliamentary Monitor* of November this year, she wrote that the House

"will be able to speak with more authority . . . a decision by the House not to support a proposal from the Government will carry more weight because it will have to include supporters from a range of political and independent opinions. So the Executive will be better held to account."

Can the Leader of the House therefore confirm that she expects more amendments from the other place and that it will be more difficult simply to disregard them?

[Sir George Young]

Earlier this month, the Government would have lost on one of Lord Ashley's amendments to the Welfare Reform and Pensions Bill without a single Conservative vote. The Government simply ignored it, but, if they assert that the new upper House is more legitimate, will they be able to disregard its views in the same cavalier way in the current Session? When the business managers decided to put 28 Bills in the Queen's Speech, had they considered that dimension, as well as the fact that, as I have said, Back-Bench Labour Members will need time to ventilate their own concerns about the programme?

Last Thursday, at business questions, I asked the Leader of the House if the Government would say which Bills in the Queen's Speech applied only to England and Wales, post-devolution. It was a highly relevant question, as an answer to it would show how the House of Commons has been changed by the Government's constitutional reforms. I hope that, in her reply to this debate, the right hon. Lady will say how many of the 28 Bills—my estimate is 18—do not apply to Scotland, but are effectively domestic Bills for England and Wales. The answer should illuminate the debate about those constitutional reforms—which Labour Members have been anxious to avoid, as they have no answer on the democratic deficit in this Chamber for English Members.

The Government's measures in the Queen's Speech amount to a hotch-potch of proposals with no discernible theme. They are beads with no string, with a substantial number of beads spilling all over the parliamentary floor. If the Government are able to mismanage a programme comprising 18 Bills, they are certainly able to mismanage a programme with 28 Bills.

For many of us, the shambles of the fag-end of the previous Session is still fresh in our memory—four guillotines in the last 10 days of the previous Session, and 820 amendments to the Greater London Authority Bill. However, far from learning the lessons of the end of the previous Session, the Government seem determined to repeat and to amplify their mistakes.

The Times of 18 November states:

"Government sources voiced confidence that the ambitious programme could be driven through, even though it is far bigger than in the previous two years. It seems certain that Ministers will use new powers to allow some Bills to be carried forward from one session to the next."

I remind the Leader of the House that that can be done only by agreement. Perhaps she will also explain to the House what is meant by "driven through". Is not the truth that the only way in which the Government will be able to get all those Bills on the statute book is by over-reliance on the guillotine and curtailment of debate, with the consequence that legislation will be as shambolic as the Greater London Authority Bill was?

What about the clear breach of a manifesto commitment? One might have thought that a programme of 28 Bills in the third Queen's Speech of the Parliament would have had room for the commitment to hold a referendum on electoral reform for the Westminster Parliament. The Government have clearly breached one of their manifesto commitments.

The Queen's Speech does not help the Government with their problems of delivery. A consistent theme in today's debate, on both sides of the House, has been the gap between rhetoric and reality.

In North-West Hampshire, we are concerned about the report of the panel on Serplan—the so-called Crow report, which has been mentioned in the debate. Despite the rhetoric on protecting the environment, we are confronted with urban sprawl, linking Basingstoke to Winchester and on to Southampton—is that what Labour means by joined-up government?

This is meant to be the Government's year of delivery. We all know the syndrome: the goods are promised on a certain day, so one stays at home, waiting for the van to arrive. Nothing happens in the morning, so one rings at midday and is told that the driver is in the middle of his round and will be there shortly. At dusk, one begins to lose hope. When one rings up again, one is told that there has been an unexpected hold-up—which of course is not the company's fault—and that they hope to get there tomorrow. It is the same with the Government and their promises. The goods that were promised are not being delivered, and the customers are becoming impatient.

As with so much else with the Government, they say one thing but do another. We have the language of devolution, but the reality of central control. The Cabinet Office deregulation Bill is contradicted by the large amounts of red tape contained in other provisions. On the one hand, the Government introduce measures that virtually privatise air traffic control and the Post Office; yet, in the same programme, they seek to re-nationalise a part of Railtrack.

The Government's programme lacks common sense. Britain needs to give more power to communities and to families—to build a more secure society; to release Britain's potential; to protect Britain's integrity and independence; and to restore faith in politics. It is those priorities, not those of Labour, that are in line with the common-sense priorities of the British people.

The Queen's Speech is irrelevant to Britain's needs; inconsistent within itself; unpopular with many of the Government's own supporters; and wholly indigestible for Parliament. That is the bad news. The good news is that it is the last full programme from this Labour Government.

9.39 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): It is customary when winding up on the final day of debate on the Queen's Speech for the Leader of the House to make some reference to House of Commons matters. Like the right hon. Member for North-West Hampshire (Sir G. Young), I should like to take this opportunity to congratulate my hon. Friends the Members for Wigan (Mr. Turner) and for Hamilton, South (Mr. Tynan), who made impressive first contributions. I should also like to highlight an important feature of our programme—this did not come out in the right hon. Gentleman's remarks—that shows how we are modernising and reforming the legislative process.

Five of the Bills in the speech have been published in draft and undergone some form of pre-legislative scrutiny. We have set the important precedent of carrying over the Financial Services and Markets Bill by agreement. The draft Bill received scrutiny from an ad hoc Joint Committee of Lords and Commons that was chaired by the former permanent secretary to the Treasury, Lord Burns, and included distinguished members of both Houses. It is an important, although highly technical and

complex, measure and there can be no doubt that it has benefited from that practical and worthwhile extension of our methods of handling legislation.

Our local government legislation was also considered by a Joint Committee. The draft Freedom of Information Bill was examined by the Lords Delegated Legislation and Deregulation Committee, a Lords ad hoc Committee, and separately by the Commons Public Administration Committee, which took evidence from my right hon. Friend the Home Secretary, among others.

The limited liability partnership proposals have been examined by the Select Committee on Trade and Industry and our proposals for the railways, now subsumed into the transport Bill, were considered at an earlier stage by the Transport Sub-Committee.

That shows the development of how we are handling the House's work and casts light on the remarks of the right hon. Member for North–West Hampshire about the scope of our programme. Much of it has already been before the House. I strongly believe that continuing to expand the drafting programme, as we have made it clear that we shall do, is a much more efficient and effective way of preparing legislation and leads to the better use of one of the scarcest resources that we have—Members' time. It should also produce better legislation, as well as encouraging attention to be focused on our core necessities or priorities.

Today's debate offers a final opportunity to assess the overall shape of the Government's programme for the forthcoming parliamentary year. I assure the right hon. Member for North–West Hampshire that it is not the last of this Parliament. It is fitting that we have concentrated on the economy, because the Gracious Speech has to be seen and judged alongside my right hon. Friend the Chancellor's pre-Budget report of two weeks ago.

We began with a typically ungraceful contribution from the shadow Chancellor. I recognise that he is facing real problems. Apart from the fact that he knows that somebody is after his job, this time last year he prophesied economic doom and gloom. Fortunately for the country, he was wrong. This year, he made the same prophesy. He could see nothing good in the Government's handling of the economy and claimed that the business community felt the same. He spoke about our pre-election consultations, and he claimed to know what resulted from them and that the business community felt betrayed.

The first request of the business community was stability in economic management, together with increased investment in education and training and in Government support for research and development and a programme of investment in transport infrastructure. The business community recognises, even if the shadow Chancellor does not, that all of that is being delivered, as well as significant cuts in corporation tax, particularly for smaller businesses.

Unlike the right hon. Member for Horsham (Mr. Maude), the hon. Member for Truro and St. Austell (Mr. Taylor) welcomed the Government's handling of the public finances. Unfortunately, like his hon. Friends the Members for North Cornwall (Mr. Tyler) and for Kingston and Surbiton (Mr. Davey) later, he then reverted to type and called for far greater public expenditure without the faintest adequate explanation of how it would be funded.

My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) spoke with enthusiasm about the need for Britain soon to join the euro, and was followed smartly by the hon. Member for Rochford and Southend, East (Sir T. Taylor), who disagreed with my right hon. Friend and with the right hon. Member for South Norfolk (Mr. MacGregor). The latter referred to many issues, including pesticides, an issue to which the right hon. Member for North–West Hampshire also referred.

Both right hon. Gentlemen said that they were seeking the Government's view. However, it was clear that the right hon. Member for South Norfolk knew the Government's view—indeed, he quoted the Government's observation that the matter was under consideration. He sought not the view of the Government, but a commitment not to pursue the matter. He knew the Government's view—he just wanted it to be different.

Mr. MacGregor: The point is that Government have simply said that they will have further discussions. Given the desperate state of agriculture, it would be so much better if the Government made their view known now.

Mrs. Beckett: I recognise that that is the view of the right hon. Gentleman. I simply say that he does know what the Government are saying on this matter, and he knows that it is being considered by my right hon. and hon. Friends.

The right hon. Member for South Norfolk highlighted the long-term impact of changes in pension provision, and he made a number of points about the contrast between defined benefit and money-purchase schemes. His concern about attitudes to pension provision would be shared by many hon. Members on both sides of the House.

Unfortunately, the right hon. Gentleman's concerns concentrated entirely on the last two years. He failed utterly to acknowledge that all the changes that he deplored flow directly from the approach and record of the Government in which he served. Nothing in the recent history of this country has done more to undermine sound pensions policy than the pensions mis-selling over which the Conservative party presided.

My right hon. Friend the Member for Camberwell and Peckham (Ms Harman) and my hon. Friend the Member for Colne Valley (Kali Mountford) spoke of the need—especially among women—to be able to exercise choice, and about how Government policy is promoting such an approach. My hon. Friends the Members for Newcastle upon Tyne, North (Mr. Henderson) and for Blyth Valley (Mr. Campbell) talked about the concerns in their areas, and both of them are well aware of how much the Government have done to try to tackle their concerns.

My right hon. Friends the Members for Llanelli (Mr. Davies) and for Coatbridge and Chryston (Mr. Clarke) applauded the goals of high and stable levels of employment, but both expressed some concerns—one about world poverty, and the other about the framework of fiscal and monetary policy. That framework, and its impact, was welcomed by my hon. Friend the Member for Bolton, West (Ms Kelly).

The shadow Chancellor, the Opposition amendment and the hon. Member for South-West Hertfordshire (Mr. Page) referred to the Government's "golden legacy"—a legacy,

[Mrs. Beckett]

they said, left by the Conservatives. Surprisingly, they seem to be unaware of a report published this morning by the IMF, which observed of the UK economy that

"this strong performance is in good part owing to the improved policy framework which has fostered sound monetary and fiscal policies and significant structural reforms."

The report goes on to speak approvingly of the supply side measures taken by the Government, and of the potential of the new deal and the working families tax credit. Although we were unable to extract anything clear from the shadow Chancellor, we think that the Conservative party continues to oppose those measures.

The "golden legacy" to which the amendment refers was, of course, fool's gold, shielding the enormous debt built up as a result of the Conservatives' incompetence. As a result of our policies, we have been able to begin to repay the debt that their policies created and, in addition, to set out a huge programme of investment in public services—particularly in our top priorities of health and education. In the pre-Budget statement, taken alongside the Queen's Speech, my right hon. Friend the Chancellor has made it clear that he is now bringing forward further measures. Those measures will stimulate further action and support for enterprise. They will not sacrifice fairness, and measures such as the working families tax credit, free television licences for over-75s and the earnings link for the minimum income guarantee for pensioners will actually enhance it. That was recognised in a moving speech about her area by my hon. Friend the Member for Northampton, North (Ms Keeble).

A key purpose for the Government is to pursue the twin aims of enterprise and fairness side by side and to make them not separate but joint endeavours. As my right hon. Friend the Chancellor identified in his pre-Budget statement and my right hon. Friend the Prime Minister highlighted in the opening debate on the Queen's Speech, that is in recognition of the stark reality that, in the next century, those purposes must be inextricably intertwined, because the one cannot succeed without the other.

Successful pursuit of the knowledge economy requires us to develop and nurture the creativity, skill and talents not only of a lucky few—as Britain, especially under Conservative Governments, has so often done in the past—but of all our citizens. For example, the reshaping of post-16 education, itself long overdue, will make an important contribution to achieving that goal. We have taken a further step in the direction identified and pursued in the first two Queen's Speeches of this Parliament. We must not only invest in education but use that investment specifically to raise standards. That is equally long overdue.

Comment from Conservative Members, in this as in previous Queen's Speech debates, has typically missed that point altogether. There has been much contradiction in what they have said. They went straight from saying that there was nothing in the speech to bemoaning the fact that it contained too much.

The right hon. Member for Devizes (Mr. Ancram) said that the Government had "run out of steam" and the right hon. Members for Penrith and The Border (Mr. Maclean) and for Wokingham (Mr. Redwood) and the hon. Member for Lichfield (Mr. Fabricant) said respectively that the speech was "thin gruel", that it was "a thin speech" and that there was "nothing new" in our programme.

Within 24 hours, however, the shadow Leader of the House thought the speech substantial enough to be

"more than the House is able to chew"—[*Official Report*, 18 November 1999; Vol. 339, c. 118.]

and the hon. Member for Poole (Mr. Syms) said:

"In the number of Bills they plan to introduce, the Government appear to have bitten off too much".—[*Official Report*, 19 November 1999; Vol. 339, c. 281.]

From the outset, the comments of many Conservative Members have been inconsistent and indeed downright contradictory; so what else is new? Contradictory themes have run throughout their contributions, with calls for mutually incompatible tax cuts and spending increases on specific items in their constituencies.

There was a further example tonight when the shadow Leader of the House spoke about the attitudes that the transitional House of Lords might take and invited me to speculate on how we might handle such attitudes. During all the days when we discussed House of Lords reform, Conservative Members claimed that there could be no problem for a Labour Government in the transitional House of Lords because it would be packed with "Tony's cronies" and we would have a majority. The shadow Leader of the House betrays the fact that they took their criticisms with as little seriousness as we did—indeed, with as little seriousness as they merited.

There is still a reality gap between the world as Conservative Members see it and the real world of the British people. We had an insight into the illusions—or perhaps delusions—still afflicting Conservative Members in a throwaway line by the hon. Member for Southend, West (Mr. Amess) earlier in these debates. He added a new dimension to the Tory party's continual complaint that everything that the Government do—down to their sheer existence as a Government—is evidence of arrogance. He told us that to claim that Britain as the Tories left it in 1997 had any need to be modernised or reformed was in itself arrogant. That is an extraordinary judgment, and it was clearly not shared by the British people, or they would have seen no need for change.

I see that the new Tory slogan is that we now need a common-sense revolution. I fear that it would take a revolution to give today's Tory party any common sense. As we have seen in these debates, they still operate by knee-jerk reaction and still oppose unthinkingly whatever the Government suggest that they are going to do. The Tories opposed giving control of interest rates to the Bank of England; cuts in the VAT on fuel; the new deal; the national minimum wage; the working families tax credit; and the extra investment in health and education. Those are things that they are against, but we have tried to discern in these debates what it is that they are for.

Contributions from Tory Front Benchers have given us a bit of a clue. They are for privatisation of the Post Office; privatisation of the tube; privatisation of the welfare state; and privatisation of health care. What we have heard in these debates is not the common sense of the British people or anybody else: it is Tory party extremism run riot, without justification, restraint or sense—never mind common sense.

Common sense and, indeed, basic arithmetic are most conspicuously lacking in the Tories' proposals on public expenditure and the economy, where their record exposes their rhetoric. The British people have not forgotten that, in 1992, the Tories promised tax cuts and spending

increases. Although they got away with it in the election, they were exposed when they could not deliver the reality and, as a result, they will never again be trusted on tax.

It has been fashionable in these debates, and recently in the media, to bewail what is seen as the lack of a single big idea. I find that odd and ridiculous. This Government have set themselves to achieve the long-sought transformation of our country so as to liberate the talents and support the endeavours of all its citizens, and, in the process, to use the fruits of those endeavours for the good of all. The pursuit of such a purpose demands action on a myriad of fronts. It cannot be pinned down to a single, all-transforming piece of legislation, or the outcome of a single Queen's Speech or even a single Budget. It calls for a series of separate, sometimes even disparate actions, undertaken over time in many different areas, without ever losing sight of that overarching and vital purpose.

To modernise Britain, as we seek to do, and to foster a vibrant and successful economy is the work, not of years, but of decades. To harness that prosperity to the relief of poverty is a worthy end in itself. As my hon. Friend the Member for Northampton, North pointed out, to harness it to the relief of child poverty is an especially worthy aim, although that will take time to achieve. Importantly, that can also contribute to our achieving our economic goals.

Our third Queen's Speech shows this Government to be clear about their goals, steadfast in purpose, and resolved on the steady and resolute pursuit of the policies required to reach those goals. I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 149, Noes 381.

Division No. 2] **[10 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice & Howden)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Keith Simpson and Mrs. Eleanor Laing.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Rt Hon Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*

Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
Maclennan, Rt Hon Robert
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'd Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark

Tonge, Dr Jenny
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tyler, Paul
Tynan, Bill
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Tony McNulty and
Mr. Don Touhig.

Question accordingly negatived.

Amendment proposed, at the end of the Question, to add,

"But humbly regret that the Gracious Speech fails to address the urgent need to protect the rights of the individual, reinforce communities and promote enterprise through increased liberalisation, decentralisation and deregulation; call for a reforming agenda including the prevention of discrimination on grounds of age, disability, religion, sex and sexual orientation; urge the introduction of measures to increase the accountability of the police, promote crime prevention and victims' rights, rehabilitate offenders in the community, and establish a Royal Commission to examine the misuse of all drugs; call for effective Freedom of Information legislation; regret the continued failure of the Government to provide for referendums on a fair voting system for the House of Commons and the European Single Currency; urge the Government to introduce proportional representation for local elections and to ensure that innovations in local government are transparent and accountable; note the absence of proposals to promote environmental responsibility and efficiency in government, business and private households; urge the Government to replace the Child Support Agency with a unified system of family courts to deal with cases quickly and fairly; believe that good health policy demands that the Government should abolish charges for eye and dental checks and establish a single healthcare regulator; deplore the Government's continued neglect of rural communities and call for effective scrutiny of supermarket profiteering, fundamental reform of the Common Agricultural Policy and the establishment of an Agricultural Ombudsman; and regret that the timidity of the other measures in the Gracious Speech will do little to assist those who are worst off in society."—[*Mr. Tyler.*]

Question put forthwith, pursuant to Standing Order No.33 (Calling of amendments at end of debate), That the amendment be made:—

The House divided: Ayes 44, Noes 340.

Division No. 3] **[10.15 pm**

AYES

Allan, Richard
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Stunell, Andrew
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Sir Robert Smith and
Mr. Edward Davey.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beggs, Roy
Bell, Stuart *(Middlesbrough)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony (Northampton S)
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Forsythe, Clifford
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet

Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Ingram, Rt Hon Adam
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Thompson, William
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Tony McNulty and
Mr. Don Touhig.

Question accordingly negatived.

Main Question put:—

The House divided: Ayes 329, Noes 185.

Division No. 4] **[8.28 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Anderson, Janet *(Rossendale)*
Armstrong, Rt Hon Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Rt Hon Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann

Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Rt Hon Adam
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Rt Hon Barry *(Alyn)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Rt Hon Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Mrs Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McCabe, Steve
McCafferty, Ms Chris
McCartney, Rt Hon Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Rt Hon Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon Sir John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Rt Hon Paul *(Torfaen)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Rt Hon Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. Tony McNulty and
Mr. Don Touhig.

NOES

Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Jackie
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Body, Sir Richard

Bosweil, Tim
Brady, Graham
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Campbell, Rt Hon Menzies *(NE Fife)*
Cash, William
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice & Howden)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Rt Hon Charles *(Ross Skye & Inverness W)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Eleanor Laing and Mr. Keith Simpson.

Question accordingly agreed to.

Resolved,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

To be presented by Privy Councillors or Members of Her Majesty's Household.

Public Inquiries

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

10.42 pm

Mr. Simon Burns (West Chelmsford): The purpose of this debate tonight is to highlight a growing problem with regard to the openness, transparency and public accountability of public inquiries, and to seek help and action from Ministers to improve the situation. Given the importance of public inquiries to the people of the Essex, I am particularly pleased to see my hon. Friends the Members for North Essex (Mr. Jenkin) and for Maldon and East Chelmsford (Mr. Whittingdale) in their places tonight.

To understand the problem that is developing at public inquiries, which deal with more and more complex issues, it is necessary to ask what is their exact purpose. Probably the best raison d'être that I have seen in recent times appeared in the comment section of the *Essex Chronicle* about three weeks ago. It said:

"Public inquiries should be just that—hearings at which individuals, pressure groups, local authorities and any other interested parties can make their views known on whatever is the subject under review, and understand those of others."

It went on to say:

"Central to this democratic right is the ability to have easy access to all evidence being considered—a right which the media, charged with the responsibility of informing a wider public, necessarily shares."

I hope that the Minister wholeheartedly shares those sentiments, particularly as the Queen's Speech, on which we have just voted, states:

"My Government will introduce a Bill on Freedom of Information. It will give everyone the right of access to information held across the public sector for the first time."

I assume that the public sector includes public inquiries, and perhaps the Minister will clarify that when she replies.

To illustrate the problem of access to information presented to public inquiries, I want to use the example of the current public inquiry on the Essex and Southend waste management plan being held in Christ Church, Chelmsford, although I emphasise that that example is not unique, but graphically illustrates the problems developing at controversial and complex public inquiries.

I understand that decisions were taken at the pre-inquiry meeting about the day-to-day running of the inquiry.

Unfortunately, few people knew that the meeting was taking place. Given the massive public interest that the inquiry would generate in Essex because of the controversial nature of its content, I am surprised that the local media were not sent a press release about that meeting. It was advertised by public notices, which in many cases are at best a fairly poor way of drawing attention to issues. I am sure that the Minister, as a member of a Government who rely on spin and news management, will appreciate that it would have been far more satisfactory to have notified people through press releases to the local media.

I understand that it was agreed at the pre-inquiry meeting that four sets of proofs of evidence would be produced. Three would go to the main interested parties and one would be kept on site in a basement office for the press and other interested parties to inspect. A photocopier was also made available for copies to made by anyone who wished to have them. Personally, I believe that those arrangements are totally inadequate. One has to remember that the inquiry is highly controversial and complex. The proofs of evidence run to thousands of pages and, under the existing arrangements, it is not realistic to expect the local media and interested parties to have proper access to the documentation or to be able to photocopy it satisfactorily so that they can follow the proceedings properly.

Despite requests from Stuart Rawlins, editor of the *Essex Chronicle*, Kathleen Corby, its chief political and local government reporter, and others for greater and easier access to that information, the arrangements have not been changed to make the proofs of evidence more easily and more readily available. That is grossly unfair and a distortion of the process because it inhibits proper monitoring of the proceedings. As the *Essex Chronicle* rightly points out:

"Members of the public, exercising a legitimate right to attend the inquiry, can find themselves listening to witnesses being questioned on evidence which is not readily available."

That makes a mockery of the process.

Surely in this day and age, with modern technology and the knowledge that the date of the inquiry was set far in advance, the proofs of evidence could have been photocopied, scanned or posted on the internet so that interested parties and the local press could have studied the evidence—both in advance and during the inquiry—to keep on top of what went on each day and follow precisely the evidence being dealt with and discussed on any day on which the inquiry sat. I do not believe that that is unreasonable.

Rather interestingly, the Department of the Environment, Transport and the Regions has produced a booklet entitled, "Development Plans—What You Need to Know". It is meant to be, and indeed is, a helpful guide for members of the public, local media and interested parties to how a public inquiry should be carried out, what should be expected of the inspector and access to information for members of the public. Paragraph 44, which deals with the role of the inspector, states that he must decide how to conduct the proceedings to ensure that

"the inquiry is conducted in accordance with well-established principles of impartiality, openness and fairness."

Paragraph 48 states:

"Objectors and other interested parties may obtain copies of any such written material which could be relevant to their case from the Programme Officer."

Technically, because of the way in which the arrangements have been made, objectors to the local waste plan can see the written material—a set of proofs of evidence is kept in a room in the basement of the building in the New London road—but in reality, because of the unsatisfactory process, they are being denied proper and full access to that information. It is not realistic or right for so many objectors and interested parties to have to go to a small room in a basement to look at, or photocopy, such a massive amount of paperwork or to have to try to obtain it from the witnesses themselves. To comply with paragraph 48 of the guidance booklet, complete sets of documents should have been made available to interested parties in advance, given that the date of the inquiry was set reasonably far in advance.

[Mr. Simon Burns]

If hon. Members, Ministers or local councillors were deprived of relevant information so that they could not carry out their duties of implementing or monitoring the implementation of legislation, or if they sought to deprive outside interested parties of access to information on our deliberations and those of local councillors and on draft legislation on regulations, there would be considerable anger. We would rightly find that totally unacceptable. We are not deprived of that information, and neither are members of the public who wish to monitor, comment on or acquaint themselves with our proceedings.

Similarly, under the procedures in the House, many submissions can be made on significant and controversial private Bills. There is a plethora of information, and copies of submissions are made available in advance and during the hearings that are held in this place, so that objectors and others can fully understand, monitor and follow the proceedings on the legislation. That information is provided and is put in the public domain. I believe that the same should and must apply at public inquiries, especially at highly contentious and controversial inquiries.

Despite the Minister's written answers to me on this matter on 4 November, I urge her to think again about the immediate issue of the current inquiry in Chelmsford, and ensure that all proofs of evidence are properly produced for interested parties for the remainder of the inquiry. For the future, I urge her to review the procedures and the way in which inspectors determine how they will run inquiries in this area, so that we can prevent the problems that many people experience, including the local media and interested parties who object to the waste management plan. They find it difficult to follow and monitor those proceedings because of the problem of access due to there being only one set of proofs of evidence.

I hope that, on reflection, the Minister will agree that this is the right way forward. In this day and age, we believe in greater freedom of information, greater access and greater participation. When the inquiry is finally concluded and decisions and recommendations are made, we certainly do not want people to feel that they have not been arrived at transparently and fairly because aggrieved individuals who tried to participate in the process were deprived of information to help them to monitor the course of the inquiry.

I am sure that the Minister will agree with me that we do not want a belief to be established that much of the administration of public inquiries is arranged for the convenience of bureaucrats and not that of the general public, whose interests they are supposed to be serving. I urge the Minister to reconsider this matter, and not only rectify the short-term problem of the current inquiry in Chelmsford but ensure that similar complaints are not made in the future anywhere in the country where a highly controversial and complex public inquiry is held.

10.54 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Beverley Hughes): I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing the debate, and I want to deal as fully as I can with the issues that he has raised. As he says, I am aware that the future management of waste in Essex is a hotly contested issue for residents. I understand why that is so. That is demonstrated by the fact that just under 10,000 forms were received by the planning authorities in response to the deposit draft, which amounted to more than 22,000 individual objections to specific policies in the plan. I understand the interest generated by the public inquiry into the objections, and the desire of many interested partners for an opportunity to examine the evidence that is being put before the inspector. As the hon. Gentleman said, the public inquiry opened on 26 October, and has sat for 12 days so far. It will adjourn in 11 days, until 5 January, when the final speeches will be made.

The hon. Gentleman will know that my right hon. Friend the Secretary of State has power to intervene in the process at any time before the plan is adopted. Obviously, that means that I cannot say anything about the plan itself. The hon. Gentleman has not asked me to do so, but I wanted to put that on the record.

I want to take up the hon. Gentleman's concerns about the extent to which material submitted in evidence to the public inquiry is being made available. I have heard his points about the situation in Essex, and I have what I consider to be corrections to make. Let me begin, however, by disputing his initial claim that there is growing evidence of problems relating to openness and transparency in the conduct of planning inquiries, and that there is a general problem of access to information. I must tell him, in relation to both the general position and the evidence from the Essex inquiry, that he cannot substantiate his claims. Nevertheless, this is an important issue for Government, and one that we shall examine—but not because there is evidence of problems.

Apart from the objections to which I have already referred, more than 100 written representations have been submitted to the inspector from members of the public and other interested parties, all of which will be considered in evidence. In addition, the main parties—including the consortium of 10 district councils that are opposed to the plan, the Mid Essex Gravel Company and other large companies involved in the waste disposal industry—have submitted lengthy, fully bound proofs of evidence.

As the hon. Gentleman said, it was agreed at the pre-inquiry meeting held on 5 July that the lengthier proofs of evidence would not be read out at the inquiry itself. That means that everyone who attended the meeting was party to the agreement. Instead, it was agreed that summary proofs would be read out to facilitate the process of the inquiry. The hon. Gentleman will know that that is standard practice at major public inquiries.

The summary proofs, the proofs of the waste planning authorities, and the authorities' formal responses to the objections and representations of the main parties add up to a very large volume of paper. I am told that just one set of all that documentation fills three drawers of a filing cabinet. The hon. Gentleman, however, asked for complete sets of documents—the equivalent of three drawers of a filing cabinet—to be made available routinely to anyone on request. There are also various core documents, planning encyclopaedias and sundry other documentation.

Before I deal with the principle of the matter, let me ask the hon. Gentleman to consider this. Quite simply, the photocopying and distribution of all that material to any

interested party and the press, as a matter of routine, would be logistically very difficult, and might not be easy to justify in terms of practicality and cost. It is, I think, for that reason that the libraries to which the hon. Gentleman referred are set up at major public inquiries, and are opened to the public some weeks in advance to enable people to gain access to material without necessarily imposing the burden of requiring such large volumes of material to be provided routinely at public expense.

Mr. Burns: May I first acknowledge that the hon. Members for Braintree (Mr. Hurst) and for Castle Point (Mrs. Butler) are present to listen to what is an important debate?

Notwithstanding what the Minister has just said, does she not think that it would be sensible at least to advertise where the room is in the building's basement by having a sign? Apparently, at present, there is no sign and no member of the public knows, unless they have been told, that that room exists—they do not know until they ask someone.

Ms Hughes: I agree in principle that information on both the fact of the library and its whereabouts should be readily available. If it is not, that may explain why the hon. Gentleman has not been to the library to check the facilities and how easy, or difficult it might be to access information there, but I will check on his statement.

In written questions, the hon. Gentleman requested that the inspector conducting the public inquiry be instructed to make the written submissions to the inquiry available to the press and to interested local parties. I should like to explain what has been done since at the inquiry to facilitate such action.

A library of inquiry documents was set up at the inquiry venue from 1 September to enable the public and other interested parties to study the proofs of evidence, objections, representations, core documents and so on. Before that, between 5 July and 31 August, the inquiry library was put together at the offices of the county council at county hall. During that period, initial objections and representations to the plan, and much of the supporting documentation, were available for public inspection and photocopying. I understand that little use was made of the photocopying facility during that time, but that the library at the inquiry venue was in considerable use, particularly in the run-up to the start of the inquiry.

Proofs of evidence were requested by the inspector in two batches. The first, covering the issues in the early days of the inquiry, was to be deposited by the middle of September; the second by 12 October. As I have said, some of the proofs were lengthy and bound, and it was not always possible to make copies at short notice for interested parties who were either unable or unwilling to visit the library. They could visit the library; there was no problem, as I understand it.

Not only were copies of all the material available for scrutiny at the library, but the county council's press officer contacted all the main newspapers and other media outlets in Essex. The press officer sent copies of the inquiry programme and invited requests for information from the press and media, so that additional copies of documents, or copies of relevant extracts that they requested, could be provided.

To date, as a result of that exercise, only one such request has been received—from BBC Radio Essex. However, the offer is still open. Furthermore, I understand that the inquiry programme officer has been able to obtain additional copies of proofs that are coming in from various originators and that those copies are being made available routinely each day to the press attending the inquiry, so the hon. Gentleman's claim that the documents are not being made available and that the inspector and programme officer are not going to considerable lengths to accommodate the requests are not true.

The hon. Gentleman claims that, because of the inadequacies of the photocopying facilities, the local press and interested parties are having difficulty in following the proceedings. I understand that there have been only four requests to the programme officer for bulk photocopying: two from commercial companies, one from Chelmsford borough council and one from the *Essex Chronicle*. Those requests have been met and no charge was levied for the copies that were produced for the press.

There have been many requests, mainly from the public, for smaller amounts of copying. Copies of 10 sheets of A4 or fewer are, and have been, provided free. There is a small charge for copies of more than 10 sheets. Since the inquiry, nearly 7,000 copies have been run off on the library machine, the vast majority free of charge.

As the hon. Gentleman said, criticism of the photocopying arrangements was expressed in an article in the *Essex Chronicle*. However, that criticism arose after the reporter turned up in the library and demanded instant copies of documents, and that volume of documents could not be provided instantly. Nevertheless, the newspaper went on to use the experience to make various unsubstantiated allegations about general provision by the library service.

Moreover, to date, there have been no direct complaints from members of the public, either to the programme officer or to the inspector, about the copying facilities or the lack of readily available copies of documents for perusal off the premises.

Mr. Burns: I should like to remind the Minister that the *Essex Chronicle* reporter whom she mentioned is a highly respected and professional journalist who believes that it has been difficult not only for her but for some of those attending the inquiry to obtain some proofs of evidence and, therefore, to follow exactly what was going on.

I was also slightly surprised to hear that there have been no complaints. There may have been no formal complaints from interested parties, but I am aware of people who have complained vigorously about the difficulty in obtaining photocopies necessary to follow the day's proceedings.

Ms Hughes: I have been fully briefed and believe that the *Essex Chronicle* has made an issue of the matter, although I do not know whether the issue is based on various experiences or only one experience. However, it is not necessarily valid for the reporter to assume that her feelings on accessibility are shared by many other people. Not only have there been no formal complaints, there have been no direct complaints from members of the public to the programme officer or the inspector about either of the issues that the hon. Gentleman raised—copying facilities, and readily available copies to take away.

[Ms Hughes]

I hope that the hon. Gentleman will appreciate that a reasonable balance has to be struck. Although it is difficult to understand how there has been an unfair restriction on access to information in this case, I entirely support his general point that the principle of access to information and openness at planning inquiries is extremely important and has to be put into practice effectively.

As the hon. Gentleman said, planning inquiries are public inquiries, and the public and other interested parties must be able to use them effectively. However, in this case, I believe that the inspector has responded to the requests made to him, and has gone beyond what might normally be expected to facilitate dissemination of information. There is certainly no evidence that other than the correct procedures have been followed.

The hon. Gentleman made some important general points. Turning from the specific case in Essex to the general position, let me say that the Department's current guidance on arrangements for public inquiries—to which the hon. Gentleman referred—is published in a separate booklet and is readily available. It explains that, although participants and the planning authority are free to develop their case at an inquiry, the inspector will normally ask for proofs of evidence or other written statements to be submitted beforehand. I do not think that such a request is unreasonable.

If the authority wishes to respond to those objections, it must do so very shortly afterwards and deposit the response in the library. The hon. Gentleman said that people in Essex are unable to keep up with requirements on depositing and responding to objections, and on the general exchange of views. However, the process should be working well. If it is not working well, I should like to have more information about it, as our practice is designed to ensure that it does work well. People have to be able to keep up with developments at an inquiry.

The code of conduct on development plans also states that it is for the inspector to decide how to conduct the inquiry. It goes on to make it clear that it is the inspector's responsibility to ensure that everyone concerned has access to the relevant information.

I should like to say something about an important issue for the future that the hon. Gentleman raised. Our current guidance enables inspectors to achieve the openness and transparency that we want, but we have been considering how the process can be made even easier, because we are very concerned to promote openness and transparency. We are going to introduce measures to promote shorter and clearer plans so that they are more easily understood and accessible. We also want better targeted consultation. We will encourage local authorities to announce publicly a clear timetable for an inquiry and they will be accountable for any slippage. There should be negotiations with objectors ahead of the public inquiry and the inspector's report should be publicly available within a set time. We shall also encourage the prompt adoption of plans. All those proposals will be set out in a revised version of planning policy guidance note 12 on development plans, which will be published in the near future.

Our changes will not curtail the public's right to comment on or object to development plan proposals or to participate fully. They are designed to ensure that inquiries are conducted in a more systematic way so that people's access to information and ability to participate in the process is enhanced.

The hon. Gentleman made some interesting comments about the potential of information and communication technology to facilitate the availability of information during the course of an inquiry—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at eleven minutes past Eleven o'clock.

House of Commons

Thursday 25 November 1999

The House met at half-past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

The Minister was asked—

Pig Farming

1. **Mr. Shaun Woodward** (Witney): What proposals he has to promote pig farming in Britain. [98836]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): In discussions with the representatives of the British pig industry, we have developed an action programme aimed at helping pig producers through this very difficult period.

Mr. Woodward: Every week, I visit in my constituency pig farmers who are suffering and in danger of going bankrupt—some have gone bankrupt. Two of them, Jamie Bell and Christopher Maughan, have given me their figures, which show the serious nature of the problems that they face. Mr. Maughan has a pig farm that produces 5,000 pigs a year. Last year, he lost £25,000. He cannot go on in business for much longer. He will very probably have to make three members of his staff redundant. He is aware that the Government have introduced regulations to help with disposal that allow £5.26 per pig. He urgently requires compensation to stay in business, but he feels that the Government are ignoring his protestations and the problems of everyone else in the pig industry who need help from the Government now before they go bankrupt. What do the Government intend to do?

Mr. Morley: There is no doubt that the pig industry faces serious problems. The regulations on offal control were introduced in 1996 for an important reason: they were one of the BSE control measures. The Government have introduced measures to assist the industry. We have talked to retail groups about progress on their labelling commitment. We have also proposed new standards of labelling, which have gone out for consultation. An extra £5 million of marketing aid has been provided on top of the £1 million already made available. It has been made clear that we expect the pig industry to have first call on that marketing aid. We are discussing meat and bonemeal controls with the Spongiform Encephalopathy Advisory Committee and also what impact they have on the pig industry. We are doing everything that we can to assist, within the state aid rules. We are constrained because we must work within those rules.

Mr. Dale Campbell-Savours (Workington): Is not the simple truth that, if the British consumer started buying British pigmeat in the form of bacon and other pig products, the crisis would end? It is in their hands. They have a good excuse for buying British, which is that British pigmeat is produced to higher welfare standards.

Mr. Morley: I entirely agree with my hon. Friend. At one stage in the current down cycle, British pork and pig products were attracting a 25 per cent. premium compared with other European prices. That was undoubtedly due to the premium for higher welfare and quality standards. We believe that the way forward is through labelling and marketing. It is important to ensure that consumers have that information, so that they can use consumer choice to support our industry and the standards that it applies.

Mr. Malcolm Bruce (Gordon): Following the point made by the hon. Member for Workington (Mr. Campbell-Savours), does the Minister accept that supermarkets are not showing clearly the source of pigmeat from this country, or, indeed, from where it comes? Unigate, which is the biggest wholesaler of pigmeat, is manipulating the market to depress the price and, in effect, destroy home production by controlled management of imports, which it says it will increase to 50 per cent. of its entire supply. Is that fair competition, and should it be investigated?

Mr. Morley: As the hon. Gentleman may be aware, the issue of supermarkets and competition is being investigated by the Office of Fair Trading, and a report will be published in due course. On the wider issue, we do not want labelling used in a way that misleads the public on the origin of pigmeat. That is why we have put new regulations out for consultation. The proposed regulations would make it clear that misleading labelling will not be tolerated. We have also seconded a full-time member of staff from the Ministry to work with the pig industry, to evaluate and monitor labelling claims and see how retailers are doing it.

Mr. Malcolm Moss (North-East Cambridgeshire): After telling the House back in July that he had letters on his desk ready to send to local authorities exhorting them to buy British pork, why did the Minister wait four months before sending them? Has not his incompetence and inaction contributed to the continuing losses in the pig industry now running at over £2 million a week?

Mr. Morley: I welcome the hon. Gentleman to the Opposition Front Bench. We look forward to discussing a range of issues with him. My right hon. Friend the Agriculture Minister has been dealing with this issue for a long time as part of a co-ordinated campaign to raise the profile of the welfare and quality standards of UK pigmeat. I do not think that any other Minister in any other Government has done as much as my right hon.

Friend to draw that to the attention of industry and retail groups and individual MPs, who have a role to play in raising this issue with their local suppliers.

Mrs. Diana Organ (Forest of Dean): What assessment has my hon. Friend made of the impact of the proposed introduction of the integrated pollution prevention and control directive in 2002 on pig farmers and other intensive white meat producers?

Mr. Morley: My hon. Friend raises an important issue affecting the meat industry, pig farmers and poultry units. Discussions are taking place within Government about the implications of those IPPC charges.

Exports

2. **Miss Anne McIntosh** (Vale of York): What plans he has to press for compensation for British farmers for loss of exports to France over recent months. [98838]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): Compensation is a matter for the courts.

Miss McIntosh: Farmers in my constituency are rapidly losing patience with the Minister. They are perfectly entitled to compensation. I know that farmers have taken up the matter personally with the Minister. Can he now tell the House which agency, or which member of his Department, is dealing with it—or is he going to tell us that the love-in between Britain and France has extended to the point at which our farmers will be denied the compensation to which they are entitled? It should be borne in mind that the French are notoriously slow to accept that they must pay compensation, and even slower to pay the compensation to which our farmers are entitled.

Mr. Brown: If the hon. Lady's constituents are entitled to the compensation to which she says they are entitled, they can obtain it through the courts.

Mr. David Drew (Stroud): I certainly do not condone the action of the French, but is it not a question of rebuilding confidence, and is not the best way to rebuild confidence to rebuild the local food chain? Would my right hon. Friend care to comment on ways in which we can seek local marketing solutions?

Mr. Brown: I am strongly committed to helping the industry to market its way through the present difficulties, and I believe that joining up the food chain is one way of achieving that. Like other Ministers, I have made a number of visits to distributors, retailers and producers to demonstrate our commitment to that approach.

Mr. Colin Breed (South-East Cornwall): The Minister is right to pursue compensation claims. I hope that he will continue forcefully to do so, and that the matter will ultimately be resolved. What farmers now want more than anything, however, is the opening of their export markets in other spheres, such as the Commonwealth. Has the Minister engaged in any discussions with his colleagues in the Department of Trade and Industry about a specific export drive to those markets? If not, what measures is he taking to encourage other countries—now that, hopefully, we have persuaded France—to lift their beef bans, thus providing farmers with more immediate support?

Mr. Brown: The first thing that we must do is ensure that the decision made last November to introduce the date-based export scheme is implemented properly throughout the European Union, and that is an immediate objective of mine. Next Wednesday, the Prime Minister will host a meeting of all who have an interest in beef exports to discuss strategies and, in particular, to explore ways in which the Government can help.

Mr. Barry Jones (Alyn and Deeside): Does my right hon. Friend recall my bringing to him recently a deputation of representatives from four farms in my constituency? We are very grateful for the hour that we spent with him. Does he recollect that my constituents told him of their fears for the beef industry, as well as for the sheepmeat and dairy industries? That conversation emphasised the difficulties of the family farmer. How has my right hon. Friend attempted to help family farms so far, and how might he do so in the future?

Mr. Brown: I am pleased that my right hon. Friend was able to bring a delegation of farmers to see me. I consider my contacts with ordinary working farmers to be extraordinarily important to my stewardship. Those farmers did raise the question of support for family farms, and we explored the possibility of support measures under the common agricultural policy, which is the overarching policy instrument. But I also look to the rural development measure, which may provide new ways of producing income streams for family farms.

Mr. Dafydd Wigley (Caernarfon): Does the Minister agree that, although compensation may be necessary to deal with what has happened in the past, we should consider other measures, when no compensation questions arise, so that our farmers can export not only beef but lamb to France and other European Union countries with no let or hindrance? Is progress being made to ensure that lamb exports, in full-body form, are able to reach all destinations, including France?

Mr. Brown: The right hon. Gentleman is right: far and away the best solution for the livestock industry is to return trading conditions to normal as quickly as possible, and that is the objective of my strategy. We need to be able to market our way through the present difficulties, and the Government will do all that they can to assist. That includes dealing with the matters raised by the right hon. Gentleman.

Mr. David Curry (Skipton and Ripon): I refer the Minister to the explanatory note which is attached to his press release of two days ago—in which he refers to the Commission's declaration on the labelling of exports of British beef—and in particular to the sentence which says:

"This will enable them"—

the other member states—

"to require the labelling on their own territory of British beef, if they so wish."

What steps will the Minister take to ensure that member states do not so label British beef so that it represents a large invitation to the consumer not to buy it?

Mr. Brown: That would not be permissible. I deplore the irresponsible statements that have come from Opposition Front-Bench spokesmen suggesting that, somehow, a British label is a stigma on what is a fine product and among the safest in Europe. Labelling is a clear condition of the date-based export scheme. It was also a clear condition of the certified herd scheme, which was brought into being by the previous Government.

Mr. Michael Jabez Foster (Hastings and Rye): I congratulate my right hon. Friend on his constructive approach and, in particular, on the fact that he has agreed to the labelling of British beef. Can that be reciprocated by our clearly labelling French products in our shops so that our consumers can decide whether they wish to buy products that are of a lower standard or have not been produced to the same welfare standards?

Mr. Brown: The Meat and Livestock Commission's assured British meat schemes provide a way for domestic consumers to consume to the highest United Kingdom standards. Under consideration in the EU is a beef labelling regime which would apply throughout the EU. The United Kingdom, French and German Governments are supporters of that regime, as is the Commission.

Mr. Tim Yeo (South Suffolk): Now that the European Commission has confirmed that country of origin labelling within the EU is lawful, why does the Minister think it right to require British beef to be labelled as British when it is sold in France, but wrong for French beef to be labelled as French when it is sold in Britain?

Hon. Members: Answer!

Mr. Brown: I have just answered that question. If Conservative Members listened to the answers instead of just trying to work out how to ask the same question, we might make a bit more progress. I thought that the hon. Gentleman was in favour of labelling schemes. He has wobbled about on this issue like a demented political yo-yo.

Fur Farming

3. **Maria Eagle** (Liverpool, Garston): What plans he has to ban fur farming in Great Britain. [98839]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): A Bill to ban fur farming in England and Wales was introduced on 22 November. I understand that the Scottish Executive will be introducing a separate Bill to extend the ban to Scotland.

Maria Eagle: I thank the Minister for the part that he has undoubtedly played in persuading the Government to take up my private Member's Bill from the previous Session, which was unfortunately blocked on Report. Does he think that the fur farmers now also support the ban, although they did not at the beginning of the last Session, and is he surprised to hear the Conservative party now calling for compensation for every type of farmer but fur farmers?

Mr. Morley: I pay tribute to my hon. Friend's work in promoting her private Member's Bill. It was through that promotion that we had negotiations with the NFU and the Fur Breeders Association. The Bill that we are promoting is an enabling Bill, which will make provision for compensation. We have had a letter from the Fur Breeders Association which makes it clear that it does not want to be kept in limbo and, if the measure makes provision for compensation, it would like to see that progress.

Mr. Nigel Evans (Ribble Valley): There is a mink fur farmer in my constituency, so I am interested in what the hon. Member for Liverpool, Garston (Maria Eagle) said because I am keen that there should be full and proper compensation for my constituent. Can the Minister give an assurance that, if compensation is not deemed sufficient, an independent committee or arbitration system will be established so that fur farmers can obtain independent clarification on what compensation they deserve?

Mr. Morley: I can give the hon. Gentleman that assurance. There will be two provisions, one for independent arbitration agreed by both sides and, if that is not agreed, a fall-back provision for binding arbitration from the Lands Tribunal.

Common Agricultural Policy

4. **Mr. Phil Sawford** (Kettering): What action he has taken to compensate UK farmers for the effect of the strong pound on the value of payments under the CAP. [98840]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): Up to £264 million in agrimonetary compensation will be paid to livestock and arable farmers starting this year, and a further £132 million over the next two years. That is on top of £133 million in such compensation paid to beef and sheep producers in 1997 and 1998.

Mr. Sawford: Hard-pressed farmers in my constituency will welcome any help that my right hon. Friend can give. Although agrimonetary compensation is complex, it represents real money for real farmers. Does my right hon. Friend agree that it is a sad reflection on the previous Government that they did not pay such compensation to farmers when they had the opportunity to do so, and that the Conservative party is no friend of the British farmer?

Ms Quin: I agree strongly with my hon. Friend. Agrimonetary compensation is an important benefit for British agriculture. My right hon. Friend the Minister was successful in persuading our partners of that, and also in ensuring that some of the money would be obligatory and that farmers would benefit directly from it.

Mr. John Bercow (Buckingham): In reflecting on the plight of British farmers, does the right hon. Lady agree

that entry into the European single currency at exchange rate mechanism mid rates would be catastrophic for British agriculture?

Ms Quin: I seldom agree with the hon. Gentleman about any of the points that he makes, especially on European issues. Stability in financial arrangements is tremendously important for agriculture. If we are not in the single currency, it is important to do what the Government have done and ensure that farmers in this country do not lose out, as they would have done had we not introduced the compensation measures that have been effected.

Farmland Prices

5. **Mr. Alan W. Williams** (East Carmarthen and Dinefwr): What has been the overall percentage change in the price of farmland since May 1997. [98841]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): The estimated average price of agricultural land sold in England fell by 5 per cent. between 1997 and 1998.

Mr. Williams: I am a bit surprised by that answer. A recent survey by the Royal Institution of Chartered Surveyors shows that, in the last quarter, land prices increased in England by 6 per cent. and in Wales by 13 per cent. Will my hon. Friend confirm that it is the Government's policy to join the euro when the time is right, and that, when that happens, we will adopt European interest rates, which are currently 3 per cent? That huge fall in interest rates will mean that house and land values are bound to rise. Is it not in the interests of British farmers that we join the euro?

Mr. Morley: My hon. Friend makes an important point on the euro. There is no doubt that joining the euro would bring many benefits to agriculture, through lower interest rates, a stable exchange rate, and especially in respect of agriculture prices and agrimonetary compensation. Those matters will have to be considered carefully. Ultimately, the British public will make the decision in a referendum. The Government are considering the matter on the basis of what is best for our country and our economy. In that respect, farmers are not well served by the Conservative party, which made it clear that it would never go into the euro within an arbitrary five-year period, even if was absolutely clear that it was in the interests of this country and of agriculture to do so.

Mr. Tony Baldry (Banbury): If agriculture prices are increasing, it is nothing to do with farming and everything to do with proposals to build 1.1 million new homes in Oxfordshire and the south-east. Whenever agricultural land becomes available, builders buy up options and drive up the price of farmland. In counties and constituencies such as mine, there is a crazy situation in which farmers are driven out of business through the Government's policies, and any spare fields will be built on, cemented and concreted in the next 20 or so years. That is a disaster for the shire counties. When will the Government wake up to the devastation that they cause to rural England?

Mr. Morley: The hon. Gentleman makes an inaccurate point. Many indicative housing figures were far higher under the previous Conservative Government; they have been scaled down under the Labour Government. Whatever happens to planning policy in future, planning law will apply to farmland. Buying farmland is no guarantee of permission to build on it.

Mr. Peter L. Pike (Burnley): Is it not a fact that the land value of difficult farmland in the hills—and in the Pennines, in constituencies such as mine—has fallen the most? However, that trend was evident under the previous Government, who showed no support at all for farmers of difficult farmland.

Mr. Morley: My hon. Friend, who represents large areas of disadvantaged farmland, is absolutely right. The causes of the changes in the price of farmland are complex, and there are a number of reasons for that. In some parts of the country, the price of farmland is holding and, as my hon. Friend the Member for East Carmarthen and Dinefwr (Mr. Williams) said, it is increasing in some cases. There are different demands, different types of farm and different sorts of land and we have to take those important factors into account in developing a coherent rural approach. That is why we shall be giving them a great deal of thought in the forthcoming rural White Paper.

Beef

6. **Mr. Julian Brazier** (Canterbury): What steps he is taking against the restrictions imposed by German Länder on British beef. [98842]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I have spoken and written to the German Health Minister about the German ban. The German Minister has assured me that the German Federal Government are taking the necessary legal steps to lift it, but—because of the necessary constitutional procedures in Germany, including the need for agreement by the Länder—it will not be possible to lift it quickly.

Mr. Brazier: Surely, then, the position is that the House and the British Government can be overruled by European rulings but the German Federal Government can shelter behind the German constitution in allowing the Länder flagrantly to break European law, to the detriment of British farmers. Given that the Government have made much, somehow or other, of their fairly modest efforts with the French, is it not time that they matched that by taking legal action against the Germans?

Mr. Brown: The hon. Gentleman is wrong. This is a matter of European Union law, and the law applies in Germany in exactly the same way as it applies in France and throughout the rest of the EU. The German Federal Government have been completely candid with the United Kingdom Government. They have explained to us how their procedures work and why it will take time to get the ban lifted in Germany. I believe that the German Government are proceeding in good faith in this matter, but they have to deal with regional authorities controlled by parties that are

different from those in the federal Government. He will accept that, sometimes, opposition parties can behave unreasonably towards the party in power.

Charlotte Atkins (Staffordshire, Moorlands): Does my right hon. Friend agree that we shall not be exporting any beef, either to France or to Germany, unless there is consumer confidence in those countries? Is not the best approach to ensure that we explain our BSE safeguards so that the French ban is lifted, with the support of the French and German Governments? Otherwise we might have the ban lifted, but no one will be eating British beef.

Mr. Brown: My hon. Friend is exactly right; that is the approach that the Government are taking. We are explaining the powerful safeguards—which sit around the date-based export scheme—that are in place in this country. We are taking our potential customers into our confidence because we want them to be our customers. We want them to buy our beef.

Mr. Edward Leigh (Gainsborough): Past constitutional disputes between the German Federal Government and the Länder have taken years to resolve. How long will it take to resolve this issue?

Mr. Brown: This issue is a matter of European Union law. If we cannot get it resolved by discussion, it will have to be resolved by law. Again, we shall look to the Commission to stand our corner.

Food Safety

7. **Mr. Patrick Hall** (Bedford): How much his Department spent on food safety and standards surveys in the last year for which figures are available. [98843]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): The Department has a wide-ranging food surveillance programme to protect consumer safety, food authenticity and the nutritional quality of the UK diet. During 1998, it spent more than £10.5 million on those surveys, carrying out more than 190,000 analyses on more than 63,000 food samples.

Mr. Hall: I thank my right hon. Friend for her helpful answer. Does she agree that what she has outlined represents the sensible steps taken by the Government—as promised at the general election and including the establishment of the independent Food Standards Agency—in order to make our food safe and more nutritious, and to restore consumer and producer confidence, thereby strengthening the economy and boosting our exports of food products?

Ms Quin: My hon. Friend makes some important points, particularly on building consumer confidence and ensuring consumers that we are taking the issue of safety standards as seriously as we are. I am delighted that, just before Prorogation, the Food Standards Act 1999 finished its passage in the other place and in the House, after we considered further amendments, paving the way for the agency's early and successful establishment.

Mr. Peter Luff (Mid-Worcestershire): As the Select Committee made clear in its report, successful establishment of the Food Standards Agency—which the Minister just mentioned—depends very much on effective leadership. Is she able to confirm reports in the *Financial Times* that Professor John Krebs will be appointed to run the new agency?

Ms Quin: As I am sure that the hon. Gentleman will appreciate, the appointment is a matter for the Department of Health. We are very confident, however, that the arrangements being made for the agency's establishment will help to ensure consumer trust and confidence, about which the Agriculture Committee and other hon. Members have been very concerned. We are also pleased that both the Government and the agency will be committed to openness and accessibility of information, as the sharing of information is a very important part of building consumer confidence.

Mr. James Paice (South-East Cambridgeshire): On the subject of food safety, will the Minister tell us whether it is true, as reported in *The Mail on Sunday*—[HON. MEMBERS: "Oh!"] Labour Members will undoubtedly be delighted to hear whether it is true that European inspectors have not inspected a single Thai chicken factory. Is it also true that Ministry of Agriculture officials have inspected Thai chicken farms and found problems that have not been resolved? How much longer will British producers have to compete with lower standards overseas, and British consumers have to accept importation of sub-standard products from countries that do not have British standards?

Ms Quin: The hon. Gentleman does not seem to understand that national and Commission experts work closely together, and write reports for each other, so that informed decisions may be taken on suppliers from third countries to European countries. I confirm that our officials and Commission officials have both investigated those issues, to ensure that European consumers are protected. The situation, however, is on-going: we cannot have a once-and-for-all investigation. We have constantly to make checks—not only in liaison with authorities in the countries concerned, but in investigations made by Commission and national authorities—and to monitor, in the interests of our consumers and European Union consumers generally.

Labelling

8. **Mr. David Ruffley** (Bury St. Edmunds): If he will make a statement on the labelling of imported agricultural products. [98844]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): Food labelling rules are harmonised at European Union level and apply to home and imported produce alike. We are pressing for a number of improvements in European Union rules and consulting on improved national guidelines aimed at clamping down on labels that mislead consumers about country of origin.

Mr. Ruffley: Following discussions that I had last Friday with pig farmers in my constituency, at Battisford, I shall ask the Minister a simple question. Will the

Government reform food labelling regulations to make it illegal for labels to describe food as British when that food has not been reared or grown in Great Britain?

Ms Quin: The hon. Gentleman should know that we are going through that process now, in consultation with the industry and the European Commission. Labelling is partly a matter over which we can have national influence, and partly one where there is European Union responsibility. I pay tribute to the work of my right hon. Friend the Minister and the Ministry in promoting clear and accurate labelling. I have discussed this matter with the pig industry recently, and we are determined to clamp down on misleading labelling and to make sure that food that is described as British actually is British.

Gillian Merron (Lincoln): Is my right hon. Friend aware that many of my constituents would like to buy British products in recognition of the higher quality and higher welfare standards of British food producers, but find it difficult to do so because of labelling that implies that a product is British when it is not? What can we do to assist consumers in my constituency and across the country?

Ms Quin: We hope and expect that the verification officer we have appointed precisely to deal with this issue will be successful in his work. He has already had important meetings with supermarkets and others in the food supply chain. The Government's record on labelling is excellent and contrasts strongly with the lack of effort of the previous regime to get labelling systems in Europe or to consolidate labelling systems at home.

Mr. Tim Yeo (South Suffolk): Will the Minister confirm that much of the meat sold in this country—whether it is poultry meat from the far east, pigmeat from Holland or Denmark or meat from illegally fed cows from France—is produced under conditions which are against the law here? Why do the Government not think it necessary to draw that to the attention of consumers on the label?

Ms Quin: I suggest that the hon. Gentleman checks on the rules because he does not seem to know them. Meat coming into Britain has to conform to European standards. I listened carefully to the hon. Gentleman on the "Today" programme a couple of days ago, and he simply does not seem to understand the moves that have already taken place in the European Union on the labelling of beef, for example. I suggest that before he asks other questions on this subject, he checks out the facts first.

Specified Risk Material (Enforcement)

9. **Mr. Paul Marsden** (Shrewsbury and Atcham): What measures he is taking to ensure that controls on specified risk materials do not place additional burdens on the livestock industry. [98845]

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): The Government have further deferred plans to charge industry for the cost of specified risk material enforcement until 2002-03 at the earliest. In addition, the meat industry red tape working group is examining the impact of the SRM controls in the industry. I expect its report shortly.

Mr. Marsden: Hard-pressed farmers in Shropshire will welcome the waiving of SRM charges and the fact that the working group is reviewing farming regulations. Does my right hon. Friend agree that the Government seek to reduce red tape for farmers, unlike the last Tory Government who, while they scrapped 77 MAFF regulations, introduced 331 new ones? Do not the Tories say one thing and do another?

Mr. Brown: And they then change their minds and say something else—we are all familiar with the scenario. During my stewardship of this office, I am determined to bear down on the regulatory burden on the industry and to make certain that regulations are proportionate and justifiable.

Mr. Christopher Gill (Ludlow): The Minister will be well aware of the consequences of the regulations imposed on the beef industry, as they affect the pig industry—the pig industry has been the innocent victim of controls imposed on the beef industry. He has been given a long period of notice. If he would authorise the dedication of pig-rendering offal plants, it would help the industry financially and would mean no extra cost to the taxpayer. However, at least 18 months after this suggestion was first made, there has been no progress. Does he recognise that by the time there is any progress, a lot of the pig farmers to whom my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) referred will have gone out of business? This inaction by the Government is not acceptable.

Mr. Brown: It is important to point out to the House that the regulations that the hon. Gentleman denounces were introduced in 1996 under the Conservative Government. Nevertheless, as he knows, I think he is on to a good point, but it is not fair to say that the Government have done nothing. I have already approached SEAC—the Government's advisory committee—once on the issue to see whether the rules could be relaxed, so that some commercial value could be returned to the sector for the pig farmers. SEAC said no, so I have gone back to it, together with the Meat and Livestock Commission, to try to find some way to get trade back in a way that is acceptable to the Government's scientific advisers. The report that I have submitted with the MLC will be considered by SEAC at its meeting this month—by which I mean November.

Food Hygiene Education

10. **Helen Jackson** (Sheffield, Hillsborough): What discussions his Department has had with education authorities regarding food hygiene education in schools. [98846]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Ms Joyce Quin): The Department is collaborating very closely with the Health Education

Authority and others on the development of food hygiene teaching resources, which are being supplied free to all UK primary and secondary schools.

Helen Jackson: When I was at school, we had domestic science once a week—that is, the girls did. Does my right hon. Friend agree that one of the potential new millennium nightmares is of a generation living from cradle to grave on pre-packaged, pre-cooked meals? Does she agree that her answer shows that the Government are working in a joined-up manner to promote healthy living and food safety, in the wake of the disastrous scares—including those involving salmonella, E. coli and BSE—of the past few years?

Ms Quin: I thank my hon. Friend for her question and her comments. She must have gone to a more enlightened school than I did, because I had to choose between domestic science and Latin. Domestic science was not compulsory, but it would have been a good thing. *[Interruption.]* I am not sure that either my Latin or my domestic science is up to standard.

I strongly endorse my hon. Friend's comments about the awareness of hygiene and fresh food issues. The programme that we have introduced—and especially the efforts of my predecessor, my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker)—will be important in bringing to schools, especially secondary schools, varied and valuable information about food hygiene and related issues.

Mr. Crispin Blunt (Reigate): Late last year the European Union suspended the use of zinc bacitracin in animal feed, which has led to the wholly unwelcome consequences of increases in the incidence of necrotic enteritis and cholangiohepatitis in poultry and—with implications for food safety and children—to farmers having to turn to the use of amoxycillin and penicillin to keep their poultry free of those—

Madam Speaker: Order. I know that the hon. Gentleman has been keen to get in on questions that relate to the subject that he is speaking about, but this question concerns food hygiene education in schools.

Mr. Blunt: I believe it is relevant.

Madam Speaker: I am not sure that it is, and that is the point that I am making. I would be grateful if we could continue with food hygiene in schools.

Mr. Blunt: Is the increased use of penicillin and amoxycillin in poultry as a result of the Government's policy a good thing for food hygiene in schools and, if not—

Madam Speaker: Order. That was not a good try, so we will find somebody else.

Common Agricultural Policy

11. **Mr. David Borrow** (South Ribble): What assessment he has made of the annual cost of the common agricultural policy to *(a)* consumers and *(b)* taxpayers in the UK. [98847]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): The cost of the CAP in 1998 was £6.7 billion to consumers and £3.4 billion to taxpayers, equivalent in total to around £3.30 per person per week.

Mr. Borrow: I thank my hon. Friend for his answer. Does he agree that the existing production-based support system under the CAP is bad for consumers because it means that we pay excessive prices? Is it not also bad for the taxpayer, who is paying those sums for the CAP? Does my hon. Friend agree that it fails to meet the Government's policy objectives because it does not support the farmers in most need of support, especially those in upland and other marginal land? Is there not a growing consensus in favour of a reform of the CAP that would move it away from production-based subsidies towards a system that met social objectives?

Mr. Morley: I strongly agree. We have made some progress with Agenda 2000, which has reduced costs to consumers by about £1 billion. Clearly, however, there is much more to be done. We believe that we must move away from production-based support—which increases costs to consumers, distorts markets to the disadvantage of farmers and does not always help those in most need—to more broadly based support that would assist agri-environmental programmes. We think that a broader, rurally based policy would be more beneficial for the rural economy—and, in the longer term, for farmers.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Crown Prosecution Service (Complaints)

29. **Mr. David Kidney** (Stafford): What changes he intends to make to the Crown Prosecution Service's complaints procedure. [98866]

The Solicitor-General (Mr. Ross Cranston): The Crown Prosecution Service has a three-tier complaints procedure which is accessible and well publicised and ensures that a full and fair investigation takes place. It is speedy and ensures that when a complaint is found to be justified, prompt action can be taken. The CPS complaints procedure complies with the Government's service first standards. My hon. Friend will be pleased to know that last year the CPS in the Staffordshire area achieved a 90 per cent. response rate within 10 days of a complaint being received—better than the national average.

Mr. Kidney: I thank my hon. and learned Friend for that answer. Yes, I am aware that the CPS in Staffordshire is good at dealing with complaints, but would it be fair to say that at the national level its attitude has been a trifle defensive? Does he agree that complaints should be

viewed positively, as part of the management information that any organisation needs to improve its service? I hasten to add that I would say the same about people who make other comments, including compliments. Does my hon. and learned Friend agree that the CPS should change its attitude towards making use of the information that comes from the public in those forms?

The Solicitor-General: I think that the record is good, but it can be improved. As a result of the changes in the inspection arrangements, the inspector will examine the complaints procedure and ensure that it is up to standard. I take my hon. Friend's other point that complaints can be used positively. The complaints made by victims and witnesses underline and are central to our concerns.

Mr. Edward Garnier (Harborough): In view of the public pronouncements of the Director of Public Prosecutions, who is the head of the CPS, and those of the Attorney-General, the noble and learned Lord Williams, about the damaging effect of the Government's proposals on jury trial, to which tier of the complaints system will the Solicitor-General go? Is what the Government are doing part of a unified policy, or is their policy on the jury system all at sea?

The Solicitor-General: I am not sure that I understood what that question was about. Inasmuch as it was a question about what the DPP said—I have seen the transcript of his interview in *The Times*—my answer is that he did not condemn the Government's proposals. He gave a dispassionate account of the jury system in England and Wales. As the hon. and learned Gentleman knows, our changes have been introduced to improve the system, there will be an appeal mechanism, which we introduced as a result of consultation, and the higher judiciary support the changes.

CPS (Performance)

30. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on the current performance of the Crown Prosecution Service. [98867]

The Solicitor-General: During the year ending September 1999, the Crown Prosecution Service secured convictions in respect of 9,700—no, 9,000, or rather, that figure should be 972,518—defendants in magistrates courts, amounting to—*[Interruption.]* Let me continue. That means that 98.3 per cent. of defendants had their cases proceed to a hearing. Convictions were also secured in respect of a further 67,509 defendants in the Crown court, amounting to 88.5 per cent. of hearings.

Mr. Paterson: I am most grateful for that muddled answer. The Government propose to take away the British citizen's ancestral right to trial by jury, ostensibly in the name of efficiency and modernity. How much money will be saved for the Crown Prosecution Service?

The Solicitor-General: These changes are not being introduced primarily with financial considerations in mind. The figures that I read out were not muddled at all, but demonstrate that the CPS achieves a very high conviction rate: even among contested cases, 73.5 per cent. achieve convictions in magistrates courts. I remind the hon. Gentleman of the changes that we have introduced since 1997 to join up the criminal justice system. Under the previous Government, the different agencies in the system operated separately. We are joining them up, and the system is operating more efficiently.

Mr. Dale Campbell-Savours (Workington): How are we to measure the performance of the Crown Prosecution Service in the treatment of the case of the so-called Lord Archer, who now stands accused of perverting the course of justice? Surely the CPS has a role in dealing with such matters. When will a statement be made?

The Solicitor–General: In every case, it is for the police to investigate matters. Once an investigation is made, the matter will come to the CPS which, of course, provides advice to the police if requested. I am sure that that is happening in the case to which my hon. Friend refers.

Mr. Ian Bruce (South Dorset): I was a little surprised that the Solicitor-General's comments on the performance of the CPS contained not a word about the speed at which the service is bringing people to trial. The Labour party election manifesto insisted that people would be brought to trial more quickly. Are young people being fast tracked by the CPS? How is the service performing under this Government?

The Solicitor-General: The hon. Gentleman refers to one of the Government's five key election pledges, on which we have achieved a great deal. Before this Government came to office, the national average for bringing persistent young offenders to trial was 142 days. That figure is coming down very substantially. We have said that we will reduce it to 71 days, but in some areas we have in fact achieved better than that.

CPS (North Yorkshire)

31. **Mr. Lawrie Quinn** (Scarborough and Whitby): If he will make a statement regarding the developments in working relationships between the North Yorkshire police and the Crown Prosecution Service in Scarborough and Whitby. [98868]

The Solicitor-General: The CPS and the police in north Yorkshire continue to build on their excellent working relationships through the successful implementation of the Narey measures to reduce delay. They are currently working closely together in the planning for the implementation of the Glidewell criminal justice and trial units.

Mr. Quinn: Will my hon. and learned Friend say how effective the CPS has been in the Scarborough and Whitby area in delivering the Government's key manifesto pledge to reduce the time taken to bring persistent young offenders to trial? When I meet law enforcement officers in the area, I get the impression that we are doing better than merely delivering on that pledge. Is not that an example for the whole country?

The Solicitor-General: My hon. Friend is right. I just happen to have with me the figures for Scarborough, which show that the average time for bringing persistent

young offenders to trial there has fallen to 36 days. That is well below the target average of 71 days, and gives the lie to the point made by the hon. Member for South Dorset (Mr. Bruce) a few moments ago. I should add that the Scarborough office's record has been very good in that regard, and was used as an example for the Narey provisions.

I know that my hon. Friend has good relations with the CPS. His constituency office contacts the service from time to time, and he spent a long time with the service in the summer. He has a reputation as a hard-working local Member of Parliament, and his visit to the Scarborough office of the CPS was very much appreciated.

CPS (Public Interest Tests)

32. **Mr. Norman Baker** (Lewes): If he will make a statement on the application of the tests of public interest by the Crown Prosecution Service in respect of minor crimes. [98870]

The Solicitor-General: The code for Crown prosecutors is issued by the Director of Public Prosecutions as required by section 10 of the Prosecution of Offences Act 1985. This public document sets out the fundamental principles to be applied by Crown prosecutors promoting fairness, consistency and independence.

The report of Sir Iain Glidewell expressed a concern that a literal reading of the code might incorrectly result in the public interest test being applied differently, depending on the seriousness of the case. Sir Iain recommended that the code should be amended to prevent this misinterpretation. That recommendation has been accepted, and in August the Crown Prosecution Service issued to CPS staff a notice putting it into immediate effect.

Mr. Baker: I welcome that answer because there is a widespread belief in my constituency that so-called minor crimes are simply not carried through to prosecution. Vandalism, for example, may not be regarded as a serious crime, but it is a cause of intimidation and it underlines people's fear that other crimes are being committed, although that is not necessarily true. I understand that the police have not been passing on cases for prosecution because they believed that the CPS would not act on them. Does the Solicitor-General's answer mean that the CPS will now pursue prosecutions against minor crimes, which is what my constituents want?

The Solicitor-General: The CPS has always prosecuted minor offences. An ambiguity in the code might have led to a misconception that the service was not taking minor offences as seriously as the graver offences. However, the change in the code makes the position absolutely clear.

Many of the concerns are based on the broken windows theory that quite minor offences can be conducive to more serious offending. I know that the hon. Gentleman is concerned about minor offending in his constituency. He raised the matter of the number of recent offences in the Ringmer area recently. The chief Crown prosecutor for the area has prepared a report on that which he has sent to me, and I shall write to the hon. Gentleman with its details.

The report shows that of the 79 cases reported between 1 July 1998 and 30 June 1999, 15 were detected by the police. Eleven defendants were given cautions, four cases were written off under Home Office rules, and only one came to the CPS. It is not that the service is downgrading cases or not investigating them; when cases come to the CPS, they are taken seriously. The one case out of the 79 that came to the CPS did not result in a prosecution, but I shall write to the hon. Gentleman about why that occurred.

CPS (Reform)

33. **Mr. Ben Chapman** (Wirral, South): If he will make a statement on progress in the reform of the Crown Prosecution Service. [98872]

The Solicitor-General: We have made substantial progress in the reform of the CPS. As from April this year, CPS area boundaries now reflect those of police forces, encouraging closer liaison and co-ordination between the CPS and the police and enabling a better service to be provided to local communities. More work is being done and a major change programme is in progress, building on the Glidewell report and the new structures.

In the wider context, we are working to ensure that the criminal justice system really acts as a joined-up system. For the first time, we have an overarching single strategic plan and sets of joint aims and performance targets for the system in England and Wales. From April 2000, inter-agency strategy committees will address local performance issues.

Mr. Chapman: Will my hon. and learned Friend tell me more specifically about Sir Iain Glidewell's recommendations on criminal justice units and on witness warning?

The Solicitor-General: We have accepted the recommendation about criminal justice units, and local areas are in the process of submitting plans. We decided that the police should retain their responsibility for witness warning, but, as I said to my hon. Friend the Member for Stafford (Mr. Kidney), witnesses and victims are now at the centre of our policy. Unfortunately, witnesses have not been taken seriously in the past and were pushed from pillar to post, but without witnesses we cannot conduct successful prosecutions, and we are now taking that point seriously.

Trial By Jury

34. **Mr. John Burnett** (Torridge and West Devon): What representations he has received on the statement made by the Director of Public Prosecutions on the right to trial by jury. [98873]

The Solicitor-General: I have received no representations on the matter. As I told the hon. and learned Member for Harborough (Mr. Garnier), I have read the article in *The Times* of 15 November and a

transcript of the interview. Neither the substance of the article nor the DPP's comments in interview justified the article's headline.

Mr. Burnett: In that article, the DPP expressed his grave concerns about the Government's proposal to curb trial by jury. In *The Guardian* today, the eminent Professor Bridges describes those proposals as likely to cause further delay and as deeply unfair. The Attorney-General and the Home Secretary both denounced those proposals three years ago. The Solicitor-General's constitutional role is to safeguard the interests of justice. Will he therefore intervene with the Home Secretary to ensure that the proposals are abandoned? They are unlikely to save time or money, and they will deny justice to many of our fellow citizens.

The Solicitor-General: The proposed changes accord with the recommendations of the royal commission. The hon. Gentleman can produce one professor, but I can produce others, such as Professor Zander of the London School of Economics, who support the changes. The changes are justified and I support them.

Business of the House

12.31 pm

Sir Patrick Cormack (South Staffordshire): Would the Leader of the House be kind enough to give us the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The business for next week will be as follows:

MONDAY 29 NOVEMBER—Second Reading of the Electronic Communications Bill.

TUESDAY 30 NOVEMBER—Second Reading of the Representation of the People Bill.

Motion on the Northern Ireland Appointed Day Order 1999.

WEDNESDAY 1 DECEMBER—Debate on the European Union on a motion for the Adjournment of the House in advance of the European Council meeting in Helsinki on 10 and 11 December.

THURSDAY 2 DECEMBER—Debate on the report of the royal commission on long-term care on a motion for the Adjournment of the House.

FRIDAY 3 DECEMBER—The House will not be sitting.

The provisional business for the following week will be as follows:

MONDAY 6 DECEMBER—Second Reading of the Government Resources and Accounts Bill.

TUESDAY 7 DECEMBER—Second Reading of the Freedom of Information Bill.

WEDNESDAY 8 DECEMBER—Opposition Day [1st Allotted Day].

There will be a debate on an Opposition motion, for which the subject is to be announced.

That will be followed by a motion relating to the Postal Privilege (Suspension) Order 1999.

THURSDAY 9 DECEMBER—Debate on World Trade Organisation millennium round on a motion for the Adjournment of the House.

FRIDAY 10 DECEMBER—The House will not be sitting.

I am able to inform the House of business to be taken in Westminster Hall from 30 November. On Tuesdays and Wednesdays when the House is sitting and until the end of the Session, there will be Adjournment debates, the topics of which will be determined by ballot.

Additionally, on Thursdays until Christmas, the following topics will be subject for debate—

THURSDAY 2 DECEMBER—Sea Fishing—Eighth report from the Agriculture Committee Session, 1998–1999 HC 141; and Seventh Special Report (Government reply).

THURSDAY 9 DECEMBER—Debate on the Modernising Government White Paper.

THURSDAY 16 DECEMBER—Debate on delivery of nursery pledges and child care provision.

The subjects for debate on Select Committee reports have been set down by direction of the Chairman of Ways and Means in consultation with the Chairman of the Liaison Committee.

Finally, the House will wish to know that, subject to the progress of business, we propose that the House should rise for the Christmas recess at the end of business on Tuesday 21 December and return on Monday 10 January 2000.

Sir Patrick Cormack: I thank the right hon. Lady for giving us the business for next week and the provisional business for the week after. I also thank her for telling us the immediate future plans for Westminster Hall. Finally, I thank her on behalf of the staff of the House for announcing the dates of the Christmas recess, although I must express some disappointment on behalf of the staff that the Friday of the preceding week has not been given as the date for the rise of the House.

Can the Government indicate to us their thinking when we debate the royal commission on long-term care next week? My right hon. Friend the Member for North–West Hampshire (Sir G. Young) and I have pressed for such a debate for some months. Following that delay, it would be useful to know the Government's response to that royal commission, as well as hearing the views of the House.

May I also welcome the debate on Thursday 9 December on the World Trade Organisation millennium round? As the right hon. Lady will know, we have much sympathy with the Jubilee 2000 campaign. Perhaps, again, we can have a definitive statement of the Government's position during that debate.

May I ask for an absolute assurance that the Standing Committee and remaining stages of the Representation of the People Bill will be taken on the Floor of the House? This is a constitutional Bill of far-reaching importance. When electoral reform measures were put before the House in 1984 and 1989, they were taken on the Floor of the House, as was a much less significant measure in 1983, for which there was also a joint Select Committee of both Houses. Therefore, we expect this Bill to be taken on the Floor of the House.

Will the right hon. Lady give us some sign of when we will have the autumn expenditure debate for which my right hon. Friend the Member for North–West Hampshire also asked last week? Will she also tell us when we will have the two-day defence debate, which the House has been denied for a long time and which we would expect?

Will the right hon. Lady also promise that on Monday the Prime Minister will give a statement to the House on the summit that is taking place in Downing street? Also, in view of the confusing and ambivalent reports in today's papers, will she give an absolutely clear undertaking on where the Government stand on the beef ban? Perhaps the right hon. Gentleman could also explain why he has not given Mr. Jospin some excellent British beef for lunch. As the right hon. Lady knows, many people find it utterly incomprehensible that we still have a ban on beef on the bone and, as Christmas is approaching and beef is a traditional Christmas dish, will she give an assurance that the Minister of Agriculture, Fisheries and Food, who is not a million miles away from her at this moment, will make it clear to the House beyond doubt that we can have beef on the bone for Christmas?

Finally, the right hon. Lady was good enough to tell us the dates for the Christmas recess and we appreciate that. As she will know, the Modernisation Committee, of which she is Chairman, called for a much more structured

[Sir Patrick Cormack]

parliamentary year and talked about a constituency week in February. Will she promise to announce before Christmas the remaining dates of this parliamentary year?

Mrs. Beckett: I hope that I will not forget any of that. First, I am grateful to the hon. Gentleman for his welcome for the dates of the Christmas recess. To pick up on his final point, I fear, however, that we have done well to give both the dates of rising and of the return of the House and I am certainly not in a position to give any other dates at this point in the year. While it is highly desirable to have a more structured parliamentary year, and I would like to be able to give firmer dates for the year ahead, that depends—as it is bound to do—on the progress of business. The hon. Gentleman will know that, from time to time, business does not progress as smoothly as we would all wish. The recommendations of the Modernisation Committee, as far as I recall—although I was not then a member of it—were predicated on matters such as programme motions, which might be voluntarily agreed to enable more structured discussion. While we lack more structured discussion, we cannot have a more structured timetable.

The hon. Gentleman also asked about the debates on long-term care. If he casts his mind back, he will recall that the pressure for a debate on the royal commission report has always been so that the House could have a chance to express its view and people could air the ideas floated in that report. He is now asking me for a clear indication of Government policy. We undertook to structure a debate so that the House could have a chance to air the issues and give its views and that is the debate that is being provided.

The hon. Gentleman also asked whether we would use the WTO debate to give a commitment and undertaking about the progress sought by Jubilee 2000. He will know that that is not quite the same as the WTO discussions on a whole new trade round. Indeed, it is not possible to judge that at present, because the Seattle talks have not yet begun. However, I should be surprised if there is not sufficient material in those talks to take up the time for the debate, without being able to go into the issues on Jubilee 2000. The hon. Gentleman knows that the Government have been working on those issues, but I do not anticipate they will necessarily be covered during that debate.

The hon. Gentleman asked me for an absolute assurance that the whole Committee and Report stages of the Representation of the People Bill would be taken on the Floor of the House. All I can say is that I am prepared to consider that matter and to discuss it. I am a little sceptical about the readiness with which the Opposition identify what they think are constitutional issues—especially the notion that that entire Bill should be taken on the Floor of the House. I am prepared to discuss the matter, but I am certainly not prepared to give such a commitment at present.

The hon. Gentleman will be aware that we continue to discuss the handling and the timing of the public expenditure debates, and I assure him that we are looking anxiously for an outcome to those discussions.

The hon. Gentleman said that the House had been denied the debate on the defence report. That is a little unfair. We made it plain that the defence White Paper would need substantial rewriting and updating, following defence developments during the year—especially over the summer—but that we would present it to the House as soon as we could, and that we anticipated holding a debate on it as soon as possible, given that we should need to take into account the report of the Select Committee on Defence on the matter before we put it to the House.

The hon. Gentleman asked for a statement on the Anglo-French summit. As he will be aware, the precedent is that the Prime Minister comes to the House to make a statement after formal European summits. There is no precedent for a demand for a statement after every informal summit—indeed, that would hardly be practical.

The hon. Gentleman asked me a string of questions about beef. I say simply that, of course, those are issues of importance and concern—the whole House realises that. However, in calling for them to be aired so thoroughly immediately after Agriculture questions, perhaps his timing was a little off.

Mr. Paul Flynn (Newport, West): Will my right hon. Friend give serious consideration to a debate on early-day motion 1?

[*That this House welcomes the Government's decision to raise income support for pensioners annually in line with average earnings, but regrets the widening gap between the basic pension and income support; notes the Treasury's estimate that by April 2002 the National Insurance Fund's balance will be £8.43 billion above the minimum recommended by the Government Actuary; and urges that part of that surplus should be used to restore the link between the basic pension and average earnings for the remaining years of this Parliament, thus ensuring that all pensioners share in the nation's increasing prosperity and preventing a further increase in the number receiving income support.*]

Yesterday, 1,000 pensioners came to Parliament to campaign and to lobby the House for the restoration of the link between average earnings and the basic pension. Pensioners, rightly, feel insulted by this year's award of 75p. They correctly point out that the basic pension is not welfare—not a gift from a generous Government—but an entitlement for which they have paid throughout their working lives. They feel rightly contemptuous of some of the Government's other attempts to give them money in the form of a demeaning handout. *[Interruption.]*

The pensioners came here yesterday in great numbers, but I have not seen a syllable of report about their demonstration in this morning's newspapers. This morning, one of them asked me, "Must we behave as certain other groups do, and demonstrate more violently before the Government hear our just demand?" There is a surplus of £8 billion in the national insurance fund; there was £3 billion when we came into office and £5.9 billion last year. In 2002, there will still be £8 billion. The money is there. Why do not we honour the promise that we have made to the pensioners over the past 20 years to restore the link?

Mrs. Beckett: With respect to my hon. Friend, that was not the promise that we made over the past 20 years. Of course, I understand that pensioners are dismayed. He will realise—as perhaps they are, perfectly understandably, less willing to do—that the scale of the proposed increase is linked to the rate of inflation. It is a consequence of the

low rate of inflation that that figure translates into about 75p. He talks—*[Interruption.]* Opposition Members are muttering about grinding the pensioners down. When my hon. Friend referred to pensioners' entitlement and said that pensioners regarded the award as contemptuous, Opposition Members cheered. I want to hear no more on that matter from Opposition Members. The Conservatives broke the link between pensions and earnings and took many other steps to erode the income of pensioners. It was a Mr. Michael Portillo—when he was a Member of this House—who said that the policy of the Conservative party would, over time, render the basic state pension nugatory. In consequence, he recommended that people should make private pension provision. The Government are starting to repair the damage done by the Conservative party, and Conservative Members have no right whatever to say anything, except to apologise.

I simply say to my hon. Friend that I do, of course, understand to the full pensioners' concern that they have paid their contributions and that they feel entitled to a decent pension, but he knows that the scheme is not funded—it is a pay-as-you-go scheme—and that the Government of the day have to find the resources.

The Government have chosen to give priority to the oldest pensioners, who, as my hon. Friend knows, are, for a variety of reasons, the poorest. We are doing as much as we can to help all pensioners, but giving priority to those who are least well off. I doubt that my hon. Friend will disapprove of that, although I know that he will continue to campaign for a greater increase for pensioners.

Mr. Paul Tyler (North Cornwall): My colleagues and I warmly endorse the sentiments expressed from the Labour Back Benches by the hon. Member for Newport, West (Mr. Flynn). We expressed very similar concerns in yesterday's debate on the economy. I hope that the Leader of the House will recognise that there is a real problem for a Government who seem to be listening to the tax cutters of middle England, not to those who are disadvantaged.

On the Representation of the People Bill, will the Leader of the House please give us a firm assurance that all parties will be involved in discussions about the proper way to handle it? I endorse her very proper reluctance to fall for the idea that the Floor of the House is the right place to deal with detailed constitutional matters. All too often in the past two years, we have seen that that is not always the best way to handle the details. Will she pay special attention to the recommendation of the Modernisation Committee that it may sometimes be appropriate to split matters of principle, which should be dealt with on the Floor of the House, from matters of detail, which should be dealt with in Committee upstairs?

May we have an early statement on the Government's detailed proposals for political donations? Instead of finding loopholes for tax exile millionaires, will the right hon. Lady carefully consider the recommendations of the Neill committee to help those on more modest means to make modest contributions to political parties by means of tax concessions? Will she read the remarks of Lord Neill of Bladen, chairman of that committee, in the debate on the Loyal Address in the other place yesterday, at column 480? He urgently, and very properly, encouraged the Government to take up his committee's proposal.

Mrs. Beckett: Of course I understand that the hon. Gentleman's party endorses the concerns of my hon. Friend the Member for Newport, West (Mr. Flynn). I hope that I am not being too unkind when I say that the hon. Gentleman knows that the Liberal Democrat party has a problem, in that it is always prepared to encourage more spending on everything without knowing where the money is to come from. However, I accept that there are issues of concern, which will always continue to be discussed.

The hon. Gentleman asked that everyone should be involved in discussions about the handling of the Representation of the People Bill; I am happy to give that assurance. I entirely take his point that, with regard to such matters, often it is better for discussion of detail to be separated from discussion of principle. However, these are all issues that we can consider.

The hon. Gentleman asked for detailed proposals about political donations. I am afraid that I do not have in my head the details of the timing of an announcement on that matter, but obviously it comes up in the context of the legislation that we shall discuss during this Session.

I am aware that the Neill committee made the recommendation that the hon. Gentleman mentioned, and that Lord Neill expressed disappointment that the Government did not follow it. Lord Neill is a man of high reputation and standing, justly earned, but it is fairly common for those who chair such committees to be disappointed unless every dot and comma of everything that they recommend is accepted. I fear that the Government are not persuaded of the case for tax relief on donations to political parties.

Mr. Dale Campbell-Savours (Workington): My right hon. Friend may have noticed that, during Agriculture questions, several Conservative Members objected to British beef sold in France being labelled as British. They are obviously ashamed of British beef, whereas we stand up to protect it. In the light of their interventions, and so that they may again put their case to the House—because I am sure that the country will want to hear of their feelings—may we have a debate on labelling? It is an important issue. When beef is sold in France, a label saying "Produced in Britain" will help to secure a share of that market again.

Mrs. Beckett: My hon. Friend makes an interesting point. I share his view that, given the steps that, tragically, had to be taken in the aftermath of the dreadful BSE crisis, British beef is probably now the safest in the world. We should argue that something that is labelled "British beef" offers a greater guarantee of quality than can possibly be said of beef from any other origin. Over time, it will be possible for us to make and sustain that case. However, I fear that I cannot offer time for a special debate on labelling, although I understand—

Mr. Campbell-Savours: I will try again next week.

Mrs. Beckett: I am sure that my hon. Friend will try again next week.

Mr. John Wilkinson (Ruislip–Northwood): Following Prime Minister Putin's statement yesterday to the Duma of the Russian Federation that the rise in the price of oil will permit the Russians to prosecute the war in Chechnya ad infinitum, will the Leader of the House ask her

[Mr. John Wilkinson]

colleague the Foreign Secretary to come to the House to make an emergency statement about Her Majesty's Government's attitude to the humanitarian catastrophe that is occurring in Chechnya without any let or hindrance on the part of the west? Will the Government explain whether they are happy to allow credits to be disbursed to Russia in circumstances in which hundreds and thousands of people are being massacred and driven from their homes, or whether they will do the right thing and cut off credits to Russia?

Mrs. Beckett: The hon. Gentleman makes a point as well as asking for a statement from the Foreign Secretary. As I am sure that he is aware, the Government have engaged in discussions with the Russian Government about the handling of affairs in Chechnya and we have sought continually to find the right and the best way to exert the influence that the whole House would wish to see exerted. International pressure got an agreement to a humanitarian role for international organisations and, at the recent summit, it brought the Russians to accept that a political solution was needed.

On the suggestion about the need for an emergency debate, I remind the hon. Gentleman that we have just had a foreign affairs debate in the debates on the Queen's Speech and that Foreign Office questions will be held on 7 December. Opportunities will arise to discuss the subject without an emergency debate.

Mr. John Cryer (Hornchurch): Can my right hon. Friend confirm that the constitutional Bill, which will come to the Floor of the House next week, will contain changes to the law on the funding of political parties? The House desperately needs a debate on the funding of political parties and the country would like to see such a debate, so that relevant questions can be asked about the scandalous state of funding of the Conservative party and so that the stories can be exposed for what they are. Instead, the leadership of the Tory party is currently producing smears and smokescreens in an attempt to divert attention away from itself.

Mrs. Beckett: I have read some most extraordinary stories in the aftermath of what is obviously deep Conservative embarrassment about what has emerged about Mr. Ashcroft. I speak from memory, but I think that issues of funding do not arise in that Bill, but they will arise in a later Bill on the funding of political parties. However, I can assure my hon. Friend that, in this Session, there will be legislation that focuses on this issue. It is a matter that the House needs to resolve.

Mr. Patrick Nicholls (Teignbridge): Will the Leader of the House reconsider the response that she gave to the hon. Member for Newport, West (Mr. Flynn)? Would not the debate that the hon. Gentleman has in mind give us the opportunity to remind ourselves that the Conservative Opposition campaigned in 1979 to break the earnings link that the then Labour Government had introduced? In two out of the three years in which the link would have applied, the Labour Government refused to implement their own legislation. When the late David Ennals was asked why he had not done the calculation correctly, he said that he was required to do it but that he was not required to get it right. Would not such a debate give us the opportunity to realise that the blatant cynicism of new Labour is every bit as bad as the blatant cynicism of old Labour?

Mrs. Beckett: I can only say to the hon. Gentleman that he clearly knows nothing whatsoever about his Government's track record on pensions policy, or he would not in a million years ask for a debate on it. I can think of nothing that I would enjoy more than to take part in such a debate and to repeat to Conservative Members precisely what they did in government. Their behaviour was disgusting, and they have never apologised for it.

Helen Jackson (Sheffield, Hillsborough): Is the Leader of the House aware that next week is the international violence against women week? She will be aware that, unfortunately, in areas around the world where there is war, some of the most appalling acts involve violence against women, but also here at home, the percentage of crimes of violence that are categorised as domestic violence is on the increase. Will she find time for that issue to be debated in the Commons next week?

Mrs. Beckett: My hon. Friend is entirely right to draw attention to that important event, and I am aware of the international week and the importance of the issue. She will know that there are a number of associated conferences and events, some of which have been arranged by local organisations and others by the Government. She will know also of the targeted funding being made available from the crime reduction programme for projects that target domestic violence here at home. I fear, however, that although I recognise that much work is being undertaken elsewhere, I cannot undertake to find time for an extra debate in the House.

Mr. Peter Luff (Mid-Worcestershire): Obviously I am delighted that the Agriculture Committee will write a small footnote in parliamentary history when, next week, its report will become the first Select Committee report to be debated in Westminster Hall. Does the Leader of the House understand, however, that until she made her statement, we understood that the debate would take place in the following week? There seems to have been rather a worrying lack of consultation with the Select Committee about the date for that debate. I know that we are all finding our way on how Westminster Hall works, but may I urge her in future to make sure that the dates, as well as the subjects, for those debates are discussed with the relevant Select Committee staff and Chairmen?

Mrs. Beckett: May I say at once to the hon. Gentleman that I apologise that that was not the case. Certainly he is absolutely right to make his point. One of the reasons for giving the progress of business about a month ahead is so that, through the mechanism of the Liaison Committee and the Chairman of Ways and Means, we can try to make sure not only that the right debates are sought, but that they do not conflict with the concerns of the Select Committees. I am sorry if, for some reason, that did not happen on this occasion. As the hon. Gentleman says, next week will see the first debate in Westminster Hall, and we shall hope to do better in future.

Mr. Paul Truswell (Pudsey): Will my right hon. Friend arrange for an early statement to be made about

plans to tackle the enormous amount of pollution caused by combined sewer overflows throughout the country? Is she aware that there are thousands of those structures and during heavy rainfall they discharge untreated effluent and sewage into watercourses such as the picturesque Tyersal beck in my constituency? Does she agree that the House and the public require early assurance that plans are in hand to deal with that major environmental and health hazard?

Mrs. Beckett: I am aware that there are such problems, although I was not aware of the particular problem in my hon. Friend's constituency, and I am sorry to learn that it affects his constituents. There are areas of my constituency where such problems occur from time to time, and I am sure that he recognises, as I do, that they are a consequence of the backlog of work that had not been undertaken and which still needs to be addressed. I certainly recognise the concern, and I think that everyone realises that it is a problem that we shall have to tackle, but obviously the scale of the problem is such that it can only be tackled over time. I fear, however, that I cannot undertake to find time for a special debate on that matter in the near future because, as he will recognise, the pressure of business is considerable.

Mr. Desmond Swayne (New Forest, West): The right hon. Lady has been good enough to tell the House the date on which we shall rise for Christmas. Is she aware, however, that on 23 September, her right hon. Friend the Minister of Agriculture told David Dimbleby, regarding the beef on the bone ban:

"I hope we can get the ban lifted, at least in England, before Christmas"?

Given that we did not reach Question 12 on the Order Paper today, we may have denied the right hon. Gentleman the opportunity to make an important statement. Will the right hon. Lady assure us that he will be given that opportunity before Christmas?

Mrs. Beckett: I think that the hon. Gentleman is perhaps asking for an extension of the sitting of the House until closer to Christmas. He may find that that is not universally popular with his colleagues. I am sorry that the House did not get to his question—as I presume that it was—but I am sure that my right hon. Friend is most anxious to give the House news on that matter when he can.

Mr. Paul Marsden (Shrewsbury and Atcham): Could my right hon. Friend find time for a debate on local democracy and elected mayors? The Government have given back democracy to the people of London by setting up the Greater London Authority, in stark contrast to the Conservatives, whose candidate for the post of mayor was recently described as one of "probity and integrity" by the Leader of the Opposition and whose book "The Eleventh Commandment" seems to refer to that well known edict "Thou shall not tell the truth to your party leader when asked whether thou hast any sleazy skeletons in thy own closet."

Mrs. Beckett: My hon. Friend is entirely right about the importance of restoring Londonwide government. I am sure that he, like me, recalls vividly the time not so long ago when separate London boroughs made separate decisions about the closure of their bridges over the river, which resulted in considerable traffic chaos for London. Our measure is certainly long overdue. As to the further issue that my hon. Friend raises about the former Tory candidate for mayor, the House recognises—although I understand that not everybody wants to admit it—that yet again it casts an unfortunate light on the judgment of the Leader of the Opposition.

Mr. Christopher Gill (Ludlow): May I draw the attention of the Leader of the House to early-day motion 62?

[*That this House notes with interest Germany's recent demand for country of origin labelling for meat; and urges Her Majesty's Government to open urgent negotiations with other EU countries to bring about a change in the treaties so as to make country of origin labelling mandatory throughout the Community.*]

The motion calls for mandatory country of origin labelling. The Leader of the House has already said that she is not prepared to give us a debate on the subject, but will she assure us that she will take up the issue with the partner nations in the European Union with a view to reviewing and amending the treaties so that country of origin labelling is made mandatory? That would be very helpful in making Governments come up with meaningful and clear labelling, which would in turn be helpful to the consumer. The right hon. Lady will also be mindful of the beneficial effect that it would have on the producers of livestock in this country, who are currently suffering from the fact that their product is not easily distinguishable from imported products.

Mrs. Beckett: I cannot undertake to ensure mandatory labelling in the near future, but I can certainly assure the hon. Gentleman that the Government are committed to the underlying aim of his proposal, which is well informed choice and clear and unambiguous labelling. We are doing everything that we can nationally to clamp down on labelling and internationally to promote the cause of clear, unambiguous labelling across the board. We shall continue to work to that end.

Mr. Huw Edwards (Monmouth): May I draw my right hon. Friend's attention to early-day motion 87?

[*That this House deplores the unacceptable level of violence against women, and believes that a thorough review of civil and criminal law is needed to ensure that violent men are prevented from tracing their former partners and then assaulting and killing them; believes that this should include a strengthening of police powers and court sanctions when injunctions are broken, and that there should be a robust policy of arrest and prosecution under the criminal law, an end to the routine bailing of men for breach of the peace and an end to the down-grading of charges through plea bargaining; supports the implementation of domestic violence awareness training for all those working within the justice system, including family law solicitors and the judiciary; recognises the need to restrict access by violent partners to information about the location of women through court proceedings and the provisions of the Children Act 1989; and accepts that men who abuse women forgo their right to access.*]

I should like to follow my hon. Friend the Member for Sheffield, Hillsborough (Helen Jackson) in asking for a debate on domestic violence. The motion has been signed

[Mr. Huw Edwards]

by 158 Members of Parliament from all parties who deplore the unacceptable level of violence against women and call for a thorough review of the civil and criminal law on the subject. Will my right hon. Friend join me in congratulating Abergavenny women's aid, which moved to new premises this week, and Monmouthshire county council on the support that it gives to that organisation?

Mrs. Beckett: I am happy to join my hon. Friend in welcoming the excellent work done by Abergavenny women's aid and the support given by Monmouthshire county council. He will know that there are many good local initiatives across the country and much good work is being done. He will also know that the Government published a report in the summer called "Living Without Fear", drawing together the initiatives across government that are promoting action against violence against women, including the allocation of money from the crime reduction programme. I assure him that we shall continue to work to that end. However, as I said to my hon. Friend the Member for Hillsborough, I fear that I cannot find time for another early debate.

Mr. David Chidgey (Eastleigh): May I draw to the Leader of the House's attention the fact that in July 1997 the Foreign Secretary told the House that the Government

"are committed to preventing British companies from manufacturing, selling or procuring equipment designed primarily for torture".—[*Official Report*, 28 July 1997; Vol. 299, c. 65.]

She may not be aware that such equipment includes leg irons and shackles that can be bought in America, having been manufactured in Britain by a company in Birmingham that owes its origins to its association with the slave trade. Such instruments can be bought freely over the counter on request. It appears that that is because it is still legal to manufacture such instruments of torture in this country provided that they are exported and sold as components. If they are later assembled by putting the chains to the leg cuffs, they can be sold as instruments of torture. Will she talk to her colleague, find time in this House to close this legislative loophole and stop this appalling trade?

Mrs. Beckett: The hon. Gentleman is correct that I am not aware of the issue, and nor, I would imagine, is my right hon. Friend the Foreign Secretary. I fear that I cannot undertake to find time for a special debate, but I will draw his remarks to the attention of my right hon. and hon. Friends, who will certainly share his concern.

Mr. Graham Brady (Altrincham and Sale, West): May we have an early statement on the newly published school performance tables to show the unfortunate state of affairs whereby 50 schools see 20 per cent. of their pupils leave with no qualifications? That would provide an important opportunity for the School Standards Minister to explain to the House why it was necessary for the Government to attack some of our most successful schools, particularly the grant-maintained schools, which have done such a good job. Schools such as Blessed Thomas Holford and New Wellington, which are grant-maintained high schools, not grammar schools, achieve results of the order of 40 and 43 per cent. of children getting and five or more grade A to C GCSEs. Those are outstanding results from grant-maintained schools that flourished under the previous Government but are now threatened by this Government.

Mrs. Beckett: Everyone in the House wants excellence and high standards in education, but the notion that that is threatened in grant-maintained or any other schools is ludicrous. The Government are improving the position and improving funding for all schools. While it is important that the funding is well directed, because there is no automatic correlation between more money and higher standards, the Government are determined to ensure that it feeds through to higher standards.

Mr. Owen Paterson (North Shropshire): The Government have imposed huge increases in fuel duty so that 85p in every pound spent on fuel is tax. We have easily the highest fuel costs in western Europe. The Government have got away with it partly because the world oil barrel price has been as low as $10. Now oil is nudging $27 a barrel, and the increases cannot be hidden. It looks as though we will celebrate the millennium in Shropshire with a £3.50 gallon of fuel. Two thirds of people in Shropshire drive to work in a car. This is a huge taxation increase on lower paid people and the strategic road haulage industry is being affected. Can we have a debate next week?

Mrs. Beckett: No, I am afraid not. The hon. Gentleman knows that the matter has been extensively discussed in the House and outside. He was careful to say that the fuel duty increase was all down to this Government. The Opposition are already determined to forget that the fuel duty escalator was introduced by the Government that the hon. Gentleman supported. He and people outside the House know that the Chancellor has heeded some of the concerns that have been expressed. That was reflected in the proposals that he advertised in his pre-Budget statement. He dealt with one of the main concerns of those worried about fuel duty when he said that any increases above real terms would in future go into funds linked to transport provision.

Mr. Andrew Stunell (Hazel Grove): Will the Leader of the House arrange an early debate on the housing benefit system, and in particular the damage that is being done to its principles by the activities of the rent officer service? Is she aware that in my area, Stockport, some 3,000 tenants face redetermination of their standard reference rent leading to drops of £20 a week in the support available to them? Does she realise the tremendous difficulties that that is causing?

Mrs. Beckett: All hon. Members are aware through their constituency case load of the impact of the rent officers. However, I was not aware of the concentrated problem that has arisen in the hon. Gentleman's area. He will know that the Government intend to publish a housing Green Paper in due course, which will examine the housing benefit system. I fear that I cannot undertake to find time for a special debate on the matter, but I shall draw his remarks to the attention of my right hon. and hon. Friends, as they concern the sort of issue that they will want to consider in their discussions on that Green Paper.

Mr. Shaun Woodward (Witney): The Leader of the House will be aware of the concern that is building up

around the country about the Government's programme of closing community hospitals. She may not be aware that her right hon. Friend the Secretary of State for Health, with his former colleague, the right hon. Member for Holborn and St. Pancras (Mr. Dobson), sat on the decision on hospitals in Oxfordshire for 18 months, including proposals to close two community hospitals. Today, the Secretary of State has had the courage to announce that the Government are continuing with their closure programme, and that two more community hospitals will be closing at Burford and Watlington in Oxfordshire. That is at a time when the Deputy Prime Minister wants to expand the number of households in Oxfordshire. Will the Leader of the House find time for an urgent debate on the closure of those two hospitals in Oxfordshire, and how that policy can be reconciled with the Deputy Prime Minister's proposals to increase the number of people who will need those services in the county?

Mrs. Beckett: I am afraid that I cannot promise to find time for a special debate, but I shall draw the hon. Gentleman's remarks to the attention of my right hon. Friends the Secretaries of State for Health and for the Environment, Transport and the Regions, especially about the link that he discerns between different policies. There is always concern about proposed changes or closures of hospital facilities and provision, but if we were to follow the policy advocated by the Conservative party's health spokesman, health service hospitals, other than those that deal with the most acute and urgent cases, would disappear altogether.

Mr. James Clappison (Hertsmere): I have two requests. First, could time be found for a debate on police numbers, which is a source of great anxiety to my constituents given that the number of police officers serving Hertsmere has fallen by more than 20 per cent. since 1997? Secondly, has the right hon. Lady given any thought to subjecting the Freedom of Information Bill to the Special Standing Committee procedure, of which she and the Home Secretary have a high opinion? Would not that Bill be an obvious candidate for that procedure, so that it could receive more detailed scrutiny? Presumably, on freedom of information, the Government have nothing to hide.

Mrs. Beckett: The hon. Gentleman is not one of our regular contributors at business questions. It is usual to ask one question, not two. However, I shall deal with both his requests. He asked me to appoint a Special Standing Committee on the Freedom of Information Bill. It is important that the Conservative party does not forget that that legislation has already been through a special Committee procedure and has had special pre-legislative scrutiny. It has already had the scrutiny he seeks, so his point about the Government having something to conceal is nonsense.

The hon. Gentleman asked about police numbers. I am sorry to learn that there is concern about the level of police provision in his area, but the Conservative Government took the control of numbers out of the hands of Ministers and placed it in the hands of police authorities, although I recognise that that is influenced by other decisions. The only Government in recent years who have provided ring-fenced funding for extra police officers is the present Government, as the Home Secretary made clear at the party conference.

Mr. Nigel Evans (Ribble Valley): The Leader of the House said that the Government wanted excellence in education. Will she arrange for a specific debate on the future of grammar schools? It would give Labour Members with grammar schools in their constituencies the opportunity to state whether they would back or sack those schools. There is a school places crisis in my constituency. Labour-controlled Lancashire county council has said that parents will have to bus their children miles out of the area to a neighbouring school to which they would prefer their children did not go. Clitheroe Royal grammar school, which is a beacon school and which the Minister for School Standards, who is sitting beside the right hon. Lady, has stated is an excellent school, is prepared to take an 30 extra youngsters, but the Labour-controlled county council has said that it will be allowed to provide only five extra places. The council does not want to be seen to be promoting grammar schools in the county.

Mrs. Beckett: I fear that I cannot find time for a debate on what is, in fact, a long-running saga rather than a new issue. One of the hon. Gentleman's colleagues recently secured an Adjournment debate on grammar schools, which, unfortunately, the hon. Gentleman did not manage to attend.

The Government are determined to promote excellence in education across the board, but I would be unwilling to promote a debate that automatically linked excellence in education with the existence of grammar schools. There are many excellent schools of various kinds, and in the past, in particular, some schools that have been called grammar schools could not be described as excellent by any standards. I know that, because I was at one.

Mr. John Bercow (Buckingham): Will the Leader of the House reconsider her dismissive response to my hon. Friend the Member for North Shropshire (Mr. Paterson), and arrange, as a matter of urgency, a full day's debate on extortionate petrol prices? That would meet the concerns of my distinguished 81-year-old constituent Mrs. Elizabeth Zettl, of High street, Buckingham, who at the time of the Budget debate was so angry about the Chancellor's policies that she urged me to roll up my speech and throw it at the Government Front Bench—an action that I was prevented from taking only by my natural regard for parliamentary etiquette and my respect for the Chair.

Mrs. Beckett: Let me say to the hon. Gentleman, and to his hon. Friend the Member for North Shropshire (Mr. Paterson), that it is good to see normal service being resumed.

We have already aired the issue of petrol prices. I am sorry to learn of the hon. Gentleman's constituent's concern, but I fear that this tends to happen. My own mother used to scream at the television when listening to the views of Conservative party spokesmen during the last Parliament.

Local Government Finance

1.17 pm

The Minister for Local Government and the Regions (Ms Hilary Armstrong): With permission, I should like to make a statement about local authority revenue finance for England in 2000-01.

Local councils throughout the country deliver services that strengthen our communities and are vital to our future economic success. As my right hon. Friend the Chancellor of the Exchequer explained to the House in his pre-Budget statement, the Government's reforms are creating a stable economy and sustainable public finances. That means that we can invest for the future, combining enterprise and fairness. This Government invest for a purpose, to secure better delivery of services. We are investing in nursery provision—there will be 48,000 new nursery places for three-year-olds by next March—and in schools, setting rigorous targets for higher standards in literacy and numeracy. By next April, local authorities will have a new grant of £140 million over the ensuing three years to enable carers to take a break.

That action to secure a platform of economic stability and steady growth has enabled us to give local government a measure of stability that is widely welcomed, and the stability that we have created will enable local government to focus its efforts on delivering better services. While ensuring that local councils receive the funding that they need in order to deliver high-quality local services, the Government are modernising the way in which councils are managed to ensure that local people obtain a better deal. We will shortly publish a local government Bill that will pave the way for people to play a bigger part in shaping their local communities.

The July 1998 comprehensive spending review White Paper set out the spending totals for next year, and the details of revenue funding that I am announcing today confirm those totals with minor adjustments. The comprehensive spending review provides local government with the additional resources needed to deliver better services to local people.

My right hon Friend the Secretary of State for Education and Employment is announcing today the provision of an extra £64 million for education spending—[HON. MEMBERS: "Where is he?"] My right hon. Friend is here today. I am making this announcement, and other announcements will be made in the usual way. The additional £64 million for education spending that my right hon. Friend is announcing brings the total additional revenue provision for education next year to £1.8 billion. He is also announcing that we will reschedule the introduction of increased employer contributions to teachers' pensions, which will ease the pressure on school budgets next year by a further £90 million.

Mr. Eric Forth (Bromley and Chislehurst): On a point of order, Madam Speaker.

Madam Speaker: The right hon. Gentleman has been in the House a long time and should know that points of order are traditionally taken after Question Time and statements.

Ms Armstrong: These announcements reflect the top priority that the Government continue to give to ensuring that schools have the funds that they need.

The comprehensive spending review gives three years of substantial growth in Government funding for local authorities. It was, and remains, the best settlement for local government since the introduction of the council tax.

We have not only provided significant increases in funding, we have also given local authorities the opportunity to undertake sensible forward planning in a way that was not possible in the past. Local authorities can now broadly predict the grant that they will get from Government, because we do not propose to make changes to the grant distribution formulae over the comprehensive spending review period. Local government has welcomed that greater certainty about future funding levels, and I am sure that the House will endorse that view.

Support from Government grant and business rates will be £41.76 billion next year, an increase of £2.2 billion or 5.5 per cent. That increase is more than twice the underlying rate of inflation. I propose that the revenue support grant should be £19.44 billion, subject to any slight alterations following the consultation that I am launching today, and which runs until 6 January 2000. In addition, some £6.92 billion of specific and special grants will be available to councils. Next year, we will redistribute £15.4 billion of business rates to local authorities and I am publishing the basis for the distribution today.

Hon. Members will be aware that the next revaluation for the purpose of non-domestic rates will take effect from 1 April 2000. I am announcing today the details of the transitional relief scheme to phase in changes in non-domestic rate bills as a result of the revaluation. I am pleased to say that there will be limits on the size of annual increases in rate bills over all five years of the new rating list.

In order to give added protection to small businesses, I shall give additional protection to small properties. That will be offset by limits on the amount by which bills can decrease, which will also be more favourable to enterprises operating from smaller properties. Nearly half of all small properties will see their rate bills fall next year and none will see an increase of more than 5 per cent. in real terms.

Revaluation does not mean that more money will be raised from the rates over the next five years. We propose to reduce the national non-domestic rate multiplier of 41.6p in the pound in 2000-01 to take account of the increase in rateable value across the country. That compares with 48.9p in 1999-2000. The revaluation will ensure that the burden is spread fairly between ratepayers, in line with changes in the property market since the last revaluation.

Following the revaluation, the Government will review the current system. That will not be a fundamental review of the business rate, but it will look for ways of improving the approach to valuation in order to increase stability, certainty and simplicity in the system. We will consider changes to the frequency of valuations. Details of the review will be announced in due course.

Increases in council tax are a matter for individual local authorities to decide. However, before they do so, we expect them to consider how they could be more efficient and effective. They should consider the fact that we have provided substantial increases in grant for most councils and should exercise restraint. In 1999, many councils clearly thought much harder about the increase that was

really needed and what local people would be prepared to pay. The average council tax increase came down from 8.6 per cent. to 6.8 per cent., and we did not have to use our capping powers last year. We want all councils to think in that way in future. However, we are willing and able to act to prevent excessive council tax increases.

I have already announced that we shall continue the scheme for limiting the benefit subsidy that central Government pay when council tax increases are above a guideline. The guideline for the 2000-01 scheme will be the same as last year: a 4.5 per cent. increase in council tax or the higher increase that is necessary to give the council a budget requirement increase that is equal to its full cash standard spending assessment increase. As suggested last year, the scheme will operate cumulatively. We will use the previous year's council tax of every authority at guideline as the starting point. Today, I am issuing full details and an explanatory note about the scheme for 2000–01.

As we explained in our July 1998 White Paper on local government, we propose to keep the method of grant distribution stable while we consider whether we can devise a system that is more effective in putting money where it is most needed and will do most good. In keeping with that policy, and as I have already explained to the House, I propose to make no new changes this year to the general method of grant distribution.

Although the method of calculation will not change, some of the SSAs to be used next year will change because of the new local government structure in London. There will be two main changes. First, some functions, such as maintenance of specific roads, will transfer from London boroughs to the Greater London Authority; we shall need to transfer SSAs to reflect that. Secondly, the boundaries of the Metropolitan police district will be reduced to cover only the Greater London area, and the police authority areas of Surrey, Hertfordshire and Essex will increase. Again, SSAs will need to be adjusted.

We cannot ignore data changes, such as changes in resident population, as those inevitably mean that some authorities do better than others. However, the effects of data changes are less than the effect of changes that would have resulted from adjustments to the grant distribution formulae. We have also given local authorities as much advance notice of data changes as we can, releasing the figures as they became available.

I also propose similar arrangements to last year's for phasing in grant changes. That means that no authority will receive less central support from the Government in 2000-01 than in 1999-2000, and that every education authority will receive at least a 1.5 per cent. increase in central support. Those comparisons will make allowance for changes connected with the creation of the Greater London Authority.

Today, my Department is writing with details of the settlement to every local authority in England. Copies of that material have been placed in the Vote Office and the Library. In keeping with our promises to modernise government, all the details are also available on the internet. The settlement is another step in the Government's modernising agenda. It provides a good grant increase and a stable financial environment. Together with best value and our other reforms, it will enable councils to plan and deliver better services for their people. I believe that it will be widely welcomed and I commend it to the House.

Mr. Nigel Waterson (Eastbourne): I thank the Minister for Local Government and the Regions for providing me with a copy of the statement in advance. I appreciate her observing the usual courtesy.

This is a bad week for local democracy. Today's statement has further undermined local government and local choices. Tomorrow, I understand, we shall see the local government Bill, in which the Government will no doubt persist in their attempt to impose structures on local government. It is also apparent that they are trying to downplay the significance of this announcement. A couple of days ago, they had a compliant Back Bencher table a question for written answer. It seems clear that plan A was to avoid making a statement in the House altogether. Indeed, the timing of the statement says it all: it shows, yet again, their contempt for Parliament, even though the statement is significant for millions of council tax payers up and down the country.

The Government talk about "stability"—that word appears about five times in the first few lines of the statement—and seem to think that, because no changes are proposed this year for the methodology of grant distribution, and because a previous announcement gave funding plans for three years, there is no need for any fuss. Surely the Minister can see that it is no consolation for councils, especially rural ones, that are being treated unfairly in year one to be told by Ministers that they will continue to be treated just as unfairly in years two and three. That means a three-year prison term for rural communities, with no escape and no time off for good behaviour.

May I give a cautious welcome to the Minister's announcements about business rate revaluation? We are pleased that there will be transitional relief, especially for smaller businesses, but it remains to be seen how dramatic the shifts in revaluations across the country will be. Why will the Government not embark on a fundamental review of business rates?

I have a number of questions on the specifics. Why does the Minister perpetuate the fiction that capping has been abolished? The Government maintain reserve powers to cap. In former times, at least local authorities knew the criteria in advance and could plan accordingly. Now they can only await the knock on the door in the middle of the night and the invitation to a ritual ticking off from the right hon. Lady. They are also intent on keeping so-called refined capping in the shape of the council tax benefit subsidy scheme. Will she acknowledge that the Local Government Association was right when it described that as

"the nearly poor paying for the really poor"?

In contrast, our policy is to have no capping in the next Parliament. *[Interruption.]* I am glad that that is as popular with those on the Labour Benches as it is with my hon. Friends, so I shall say it again: our policy is to have no capping in the next Parliament.

Even on the Government's figures, council tax will rise by twice the rate of inflation. An average band D household is paying £100 a year more in council tax than when the Government took office. Does the Minister accept that, as a result of the settlement, council tax payers

[Mr. Nigel Waterson]

across the country will face steep council tax rises or cuts in services, or both? Does she also accept that there will be a nominal increase of just under 5 per cent., with some rises in double figures?

Why has £150 million of the extra money for education been stripped out of the budget and recycled as payment for teachers performance-related pay? Why is that not genuinely new money? Is the £64 million announced today really new money? Will the Government meet in full the costs of implementing the teachers Green Paper?

Last year, although we had above-inflation increases for social services, some boroughs social services SSAs decreased. Those included Hackney, Lambeth and Newham—three of Britain's most deprived boroughs.

Does the Minister accept that, despite some increase in funding this year, many social services departments will remain under great pressure? Does she realise that, across the country, needy people are being turned away by their local social services, which simply cannot cope with rising demand? Did she see the report only yesterday that one in 10 social services departments is already under-performing? Why is the figure for environment and culture below the inflation rate?

The Government are consulting on a "single capital pot", but when will they release councils from their hand-to-mouth existence and let them move away from capital expenditure being dealt with on a year-on-year basis?

Does the Minister accept that, over the course of this entire Parliament, the police will receive a real increase of less than 1 per cent.—with the consequence of falling police numbers and rising crime?

Are the Government wedded to specific grants because they give Ministers more power to impose their own agenda on local government? Should not local councils be left to make up their own minds about local priorities? Why do the Government want to stifle local choice?

How can the Government even begin to try to justify robbing the countryside of more than £500 million and letting London down by grabbing £300 million? Surrey has lost £27.5 million because of the Government's fiddling the funding formula, and Oxfordshire and West Sussex have both lost almost £20 million.

In Kent, in the current year, the SSA increase was 4.8 per cent., but the increase in Government grant was only 1 per cent.—a practice that is not always understood by council tax payers. Kent has also had to increase expenditure by 5.8 per cent. to meet national requirements on, for example, firemen's and teachers' salaries—

Mr. Damian Green (Ashford): And asylum seekers.

Mr. Waterson: Yes.

This year, Kent expects a council tax increase of 5 per cent.

Finally, will the Minister clear up one mystery? On 29 October, she issued a statement saying that, because the announcement provided figures for three years, she would not receive delegations from local councils. Rather grandly, she said that she would receive submissions in writing or from local government bodies. However, in answer to written questions tabled by me, and in correspondence, it has emerged that the Minister did not stick to that resolution for very long.

Only four or five days later, on 4 November, the Minister met a delegation from Hammersmith and Fulham, which just happens to be a Labour-controlled authority—*[Interruption.]* It is a serious matter. Initially, the meeting was denied by the Under–Secretary of State for the Environment, Transport and the Regions, the hon. Member for Stretford and Urmston (Ms Hughes), but the right hon. Lady kindly wrote to me very rapidly to put the matter right. I accept that the denial was a genuine error by the Under-Secretary, although I do not necessarily accept that such errors should be allowed to happen within the Department.

Will the Minister clarify the point for us? Will she accept delegations from Labour-controlled authorities? Would she stretch a point and occasionally meet a non-Labour-controlled authority? I call on her to jettison her absurd statement that she will not receive delegations. Surely she accepts that the whole point of a democracy is that Ministers should be available to meet the elected representatives of local people and hear their genuine concerns. Otherwise, why have Ministers at all?

Ms Armstrong: I am concerned about the hon. Gentleman, who seems to have come to this House with amnesia. His statements today show that he has neglected the fact that the previous Tory Government were in power for 18 years and that they introduced the council tax and the uniform business rate. *[Interruption.]* We are all bored and fed up with it, but it is the reality, none the less.

Much of what the hon. Gentleman berated me about today was begun by the Tory Government. The changes that we are making have been overwhelmingly welcomed by local government, and by those outside who know and do not forget the travesty that the Tories wrought upon local government and local democracy in this country.

There was never any attempt to avoid a statement. I approached both of the main opposition parties early on—as the hon. Gentleman well knows, as I talked to him and to his right hon. Friend the Member for Wokingham (Mr. Redwood), the shadow Secretary of State. I said that we were more than happy to have a statement, but that we would not allow a statement to hold back the normal information that ought to go out to local authorities. We have worked exceptionally hard this year to get the information out earlier, so that local authorities are more in control of their budget processes.

We are having a statement today so that information is not delayed until next week. We want to get the information out as soon as possible so that local authorities have as much ability as possible to plan and develop their budgets. It is a pity that the hon. Gentleman wanted that to be delayed until next week.

Local government has overwhelmingly welcomed the period of stability. Those involved feel more in control of their budgets. They know that being able to plan over a three-year period with a clearly established framework has enabled them to engage more effectively with the public. They will continue to do so, so they can plan their spending and their priorities more effectively. Again, it is a pity that the hon. Gentleman is so out of touch with what is going on.

Opposition Members try to raise the subject of rural areas every year. However, it simply bears no relationship to the facts. We have treated all authorities fairly, whether urban or rural. The most sparsely populated authorities have received average SSA increases this year of 4.7 per cent., compared with an average of 4.4 per cent. for England as a whole. Shire areas have received average SSA increases of 4.7 per cent. Shire counties, which provide most of the services in shire areas, have received average SSA increases of 5 per cent. this year. Once again, reality has escaped Tory Members.

I am grateful for the hon. Gentleman's cautious welcome for our business rate proposals. He asked why there was no fundamental review of the uniform business rate. He seems to have forgotten that we have had a White Paper and consultation, and we announced that we would not change the uniform business rate. What I have announced today is a review of the valuation. The world would think that we were rather peculiar if we had another fundamental review within two years after the first one.

We believe that council tax benefit subsidy limitation operated in a more straightforward way than people anticipated at this time last year. We believe in the principle that, where there are excessive increases, the burden of those should not be placed wholly on the tax payer.

It would be cruel to say too much to the hon. Gentleman about capping. We are seeking to establish an effective partnership with local government where we enable it to make decisions about its council tax. However, we reserve the right to intervene when council tax payers are suffering. That has been clearly accepted by local government and, as I say, it meant that last year we did not have to impose any capping. The hon. Member for Eastbourne also made spurious points about council tax rises. Council tax rises declined last year from 8.6 per cent. to 6.8 per cent. and I look for the continued exercise of such restraint from local government.

The hon. Member for Eastbourne obviously wanted to make a point about the £150 million loss of education funding before he had read the statement—but he then tried to recover. Money has been announced today that was not originally in the settlement but which will cover that sum, and the teachers Green Paper arrangements will be funded in full. Some £1 billion has been made available in the comprehensive spending review for that purpose.

I was amazed to hear the hon. Gentleman talk about needy people being turned away, because—as he knows—this settlement is far more generous than any his Government managed to give local government. What is more, he fell into the trap that the Tories fall into again and again—of confusing performance with the level of funding. If the hon. Gentleman had looked carefully at the figures announced yesterday, he would have seen that they demonstrated that half the authorities named yesterday by the Minister of State, Department of Health, my hon. Friend the Member for Barrow and Furness (Mr. Hutton), had gained from the changes made in funding last year, and half had lost. The relationship that the hon. Member for Eastbourne tried to describe does not exist. We are trying to improve performance and give councils the framework to do so through best value, so that they can ensure they get the best performance for the money spent.

The hon. Gentleman mentioned delegations. Some Opposition Members will know that over the years I have met them and their delegations. It has always been my practice and policy, whenever hon. Members request a meeting, to seek to agree to such requests. I do not hold all the meetings in the Department, because the visits frequently take place outside the formal consultation period and the Department could make very little response. I see the delegations in the House so that I do not take up civil servants' time and cost the taxpayer additional money.

I seek to hear from all hon. Members about their concerns and anxieties. As the hon. Member for Eastbourne knows, I met representatives from Hammersmith and Fulham at the request of their Members of Parliament, and it just so happened that that was entered in my diary as a meeting with those hon. Members. That is why the problem arose in the Department; it had nothing to do with the Department.

It is true that I am keen to have a proper relationship with local government. I am also always happy to meet Members of Parliament and listen to their concerns. But it is also right that local government, the Department and Ministers should use their time effectively. Of those issues on which authorities are able to make representations, virtually none has changed this year. On that basis, it is fairer to them—and in the interests of the best use of Ministers' time—that I see the associations and hear from them about the interests of their members. To see every individual authority would not be a good use of my time or of theirs.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. Before I call the next speaker, I must tell the House that very many hon. Members are seeking to catch my eye, and unless we have short questions and reasonably short answers, an awful lot of them will be disappointed.

Mr. Harry Barnes (North-East Derbyshire): I cannot believe what I have just heard from the Opposition. Either they have been converted to a completely new position or they are talking through the backs of their heads—I assume the latter. They created our present problems in local government finance.

Is it not disappointing, however, that despite what was said earlier about the three-year provision, there is no change in the standard spending assessment methodology, so the evils introduced to the system by the previous Government through the Local Government Finance Act 1988 have not yet been fully tackled? The effects are bad in Derbyshire, especially in north-east Derbyshire, where the weighting in the area cost adjustment system needs changing, and the enhanced population figures need to be taken into account. For my area, that would be like the relief of Mafeking. Is there any hope that it will happen?

Ms Armstrong: I have announced that we are undertaking a fundamental review of the distribution method for revenue support grant. I hope that north-east Derbyshire, and my hon. Friend, will take an interest in that. A questionnaire was sent to every authority, and the overwhelming response was that they did not like the SSA system and would like to consider an alternative.

[Ms Armstrong]

Other interesting alternatives are being suggested by some of the groupings within the Local Government Association and the Association of London Government, and I look forward to finding out over the coming year whether it will be possible to change to a system that does not rely on the extremely complex SSA settlement system, which local authorities often feel is perverse.

Mr. Adrian Sanders (Torbay): I thank the Minister for having made a copy of her statement available in advance. However, is it not a statement designed to ensure that the Chancellor gets a pat on the back while councillors get it in the neck? Does it not confirm the shift in taxation from central Government to the council tax payer and the users of services?

Do not some of the Government's figures show council tax rising at twice the rate of inflation, while the Treasury forecasts an even higher figure of 7 per cent? Despite the £64 million announced today, is there not still a danger that taking money out of the general education budget to cover performance-related pay will mean that one teacher's pay bonus is another's P45?

Finally, when will the Government get their tanks off town hall lawns and allow local communities to set their own priorities without the fear of capping?

Ms Armstrong: I had hoped that if I gave the hon. Gentleman the statement in advance, he would be able to work out that we were not taking the money for teachers pay out of the settlement for schools. Teachers have to be paid, and we must ensure that the money is there, but I am sure that when the hon. Gentleman reads again what I have said, he will understand that the money is additional and that the same sums will go to schools as we promised last year, so there is a substantial increase.

The hon. Gentleman complained about council tax going up by twice the rate of inflation. I hope that authorities will do everything possible to hold council tax down because they are getting a substantial settlement this year. They also have the best value system, which is already demonstrating that authorities using it can make significant efficiency savings which cannot be described as straightforward cuts. We look to the rest of local government to do the same.

I think that the council tax payer will soon recognise that the Government's contribution will amount to an increase of more than double that required to keep place with inflation, and that that is a good deal for local government.

Mr. Ronnie Campbell (Blyth Valley): We need take no lessons from the Tories on local government finance, given that they introduced the poll tax, which cost the tax payer £6 billion.

I welcome the Minister's statement that she will look at the formula for standing spending assessments, which we have been trying to change for years. My hon. Friend will be aware of the problems encountered in Northumberland since it was introduced. For example, it is remarkable that the formula gives a greater population sparsity element to the city of Bradford than to the county of Northumberland. Does she accept that we need a correct formula that is fair for everyone?

Ms Armstrong: I thank my hon. Friend. I know the problems in Northumberland, which I visit often. County councillors regularly lobby me. I assure my hon. Friend that Northumberland will continue to receive the highest SSA per head of population of any shire county.

Sir Peter Emery (East Devon): I realise that one must examine the Minister's statement carefully, but does she accept that there is little doubt that overall it is bad news for local government? It contains nothing to correct the particularly bad treatment meted out over the past two years to rural local authorities, which it appears will have to continue to suffer.

Will the Minister look specifically at the guarantees given by the Under–Secretary of State for the Environment, Transport and the Regions, the hon. Member for Sunderland, South (Mr. Mullin), on the negative housing subsidy arising out of the housing revenue account? We were promised that that matter would be attended to, but the Minister's quite long statement today did not refer to it.

The Minister talked of performance being reflected in levels of funding, but most of the 23 councils so affected have been among those performing best. In my own district of East Devon, the cost is likely to be something approaching £1 million. That cannot be fair, and what will she do about it?

Ms Armstrong: I have already made it clear that rural counties are doing better than average this year, and I invite the right hon. Gentleman to look more closely at the figures later. I know that many figures have been given out today and that it is difficult for hon. Members to grasp them immediately.

On the housing matter, I can tell the right hon. Gentleman that it has been the subject of a consultation that I started when I had responsibility for housing. That consultation continues, and we do not expect to make a decision in the short term.

Mr. Gerry Steinberg (City of Durham): I welcome the increase in education spending provided by the Government in recent years. Schools in my constituency have benefited from more computers, new buildings and major repairs. My right hon. Friend's constituency is also in Durham, so is she aware that many small schools there are still struggling because of the formula used for local management of schools? The formula means that, as pupil numbers increase and decrease, small schools sometimes do not have enough money to pay teachers salaries or to retain staff numbers. That is a major problem in my constituency, and I suspect in my right hon. Friend's. Will she contact my right hon. Friend the Secretary of State and her departmental colleagues to see what can be done to support small schools? Those schools do an excellent job but, because pupil numbers fluctuate, they suffer because they cannot make plans.

Ms Armstrong: I am well aware of the problem. I suspect that the small schools in my constituency are even smaller than those in my hon. Friend's, and it is certainly true that some schools in the north Pennines have very small pupil populations.

I have discussed the matter with my right hon. Friend the Secretary of State and with my right hon. Friend the Minister for School Standards. She has already announced additional help for small schools, but is also keeping the

matter under review. We want to ensure that all pupils, regardless of the size of their schools, get the opportunities that they need and deserve.

Mr. David Curry (Skipton and Ripon): Will the Minister reaffirm the essential principle of non-hypothecation—that is, the Government provide funding but local authorities are free to decide where best to spend it? To that end, would the right hon. Lady ask the Secretary of State for Education and Employment—before he begins his habitual tirade—not to start telling local authorities that they must spend their money in any particular direction?

If last year's increase in council tax was 6.8 per cent., against the predicted 4.5 per cent., why should it be less than 6.5 to 7 per cent. again this year, as against the Government's predicted amount? Police funding will be particularly sensitive, given the need to spend money on new communications equipment and on early retirement, which is still a tremendous burden on the police.

Finally, do the Welsh intend to apply the council tax benefit limitation principle?

Ms Armstrong: Of course councils make decisions about their budgets, but the Government have the right to let councils know of their priorities, which has led to extra funding being added to the settlement. This issue has always been debated, and will, quite rightly, continue to be debated.

I am afraid that I have forgotten the right hon. Gentleman's next point.

Mr. Curry: It was about council tax.

Ms Armstrong: We make no prediction on council tax increases. As for the 4.5 per cent. for council tax benefit subsidy limitation, we are not saying that authorities should set council tax at that level. That would kick in only if their increase in standard spending assessment were 4.5 per cent. or less; it is not a prediction of council tax levels. Indeed, Conservative and Liberal Democrat Members predicted last year that the figure would be substantially higher than 6.8 per cent. We do not predict—they do, and they got it wrong.

My right hon. Friend the Home Secretary will be dealing with police budgets, and I am sure that the right hon. Gentleman will put his point to him. As for the right hon. Gentleman's third point, that is a matter for the Welsh Assembly.

Mr. Jeremy Corbyn (Islington, North): The Minister will be aware that last year a number of Members representing inner-London constituencies—including me—made strong representations to her about the level of Government support for inner-London local authority services, owing to the very high cost of service delivery and the acute social problems arising from transient communities and a high population turnover. She will also be aware that over the past year the situation has become much worse, given the problems caused by the rapid rise in house prices.

Is my right hon. Friend prepared to receive any further representations, part way through this comprehensive spending review and in advance of any other grants that she might give, on the very high costs of inner-London services? Is she aware that, two years after the Government came to power, substantial cuts are still being made to services in my borough because of the local authority's funding problems? That impacts badly on other Government efforts made through welcome measures such as the single regeneration budget, which affects part of my constituency.

Ms Armstrong: I have already said that there is a review of the method of distribution. My hon. Friend's concern for London areas and the Conservatives' concern for rural areas must both be accommodated in the review. The Association of London Government—along, I am sure, with my hon. Friend's authority—is already thinking hard about the options and about how future funding will be taken forward. I will be having discussions with it over the next few months, after which we shall issue a consultation paper to consider how to proceed.

This year's increase in SSA for education in my hon. Friend's borough is 5.1 per cent. That compares with a national increase of 4.5 per cent. for education authorities. I know that there are budget problems, though not all of them have arisen simply because of funding. Some have related to management, and the authority is trying to sort out that problem so that people in Islington will know that they will receive decent services for the amount that they are able to pay.

Mr. Patrick McLoughlin (West Derbyshire): Can the Minister assure us that no person aged over 65 will pay more than a 75p increase in council tax?

Ms Armstrong: Council tax is not a matter for me. The hon. Member for Eastbourne (Mr. Waterson) has asked me not to interfere in councils, but the hon. Member for West Derbyshire (Mr. McLoughlin) asks me to tell him what the council tax increase should be. Perhaps he should collaborate with his Front-Bench colleague.

Mr. David Kidney (Stafford): It must be a novelty for the Opposition to see a Government who both promise real-terms increases year after year and keep those promises. Councillors and residents in Staffordshire will certainly appreciate the extra money in this three-year settlement. May I tackle my right hon. Friend on a technical point about the operation of the formula for distributing money from central to local government? Has she given any thought to—or will the consultation consider—raising funding for councils at the bottom of the Government's funding table?

Ms Armstrong: My hon. Friend has taken particular interest in that idea. Authorities whose education funding is below average held a meeting in Staffordshire last week. The problem with averages is that some authorities are bound to be below while others are above. That is the nature of things. We are searching for fairer funding for all, but it is difficult. Overcoming past problems has led us to make significant funding injections, but some authorities and residents still feel sore. I hope that our review will come up with something that local people will find more rational and easier to understand.

Mr. A. J. Beith (Berwick-upon-Tweed): Does the Minister recognise that the settlement cannot allay the concerns of the many children, parents and teachers who

[Mr. A. J. Beith]

have written to her about the situation in Northumberland? Children there receive education that costs perhaps £500 or £1,000 less than is spent in other parts of the country. That results from settlements under both the previous Government and the present one that the local Labour council leaders have described as unfair. Does the Minister realise that while we wait for the review process to be completed, some children will have completed most of their years in education with inadequate funds?

Ms Armstrong: I understand that point. I have met members of Northumberland county council several times. My constituency abuts Northumberland, and I regularly meet folk from the county in my normal constituency activities. It is difficult for local people to understand what is happening.

The formula tries to take account of need and, to reflect the additional sparsity factor, Northumberland receives the highest amount per head of population for any shire county. Every authority feels that it should receive more, and we shall probably never reach a position in which everyone feels fairly treated. We are trying to put more money into education and to ensure that it is distributed so that every child receives the opportunity that he or she needs.

Judy Mallaber (Amber Valley): May I warmly welcome the review of local government finance and ask my right hon. Friend what input local authorities will have in that review? In particular, will she consider representations from authorities such as Amber Valley, which is implementing the Government's modernising agenda, but suffers under the over-complex revenue support grant formula, to which she referred, from being a mixture of urban and rural authorities?

May I also reiterate the comments of my hon. Friends the Members for North-East Derbyshire (Mr. Barnes) and for Stafford (Mr. Kidney) about the position of a number of education authorities as a result of the system introduced by the Conservatives? For example, a secondary school in my constituency gains several hundred thousand pounds less than an equivalent school in a southern county.

Ms Armstrong: Of course, local authorities will be involved as much as they wish in the review. Officials from the Department have already been travelling around the country holding regional briefings to encourage authorities to think how things could be done differently. If we cannot find a way forward, we will have to revert to standard spending assessments. I hope that we can find a way. The LGA is very much part of the present discussions at official level. We will lay all the suggestions before the House and local government so that every authority will be able to have an input.

Mr. Christopher Chope (Christchurch): Will the Minister withdraw her earlier irresponsible statement to the effect that increases of 4.5 per cent. would not cause any hardship to council tax payers? Does she realise that for Dorset pensioners such as increase would be far in excess of 75p a week? Why will the right hon. Lady not speak out now and say that she will condemn any council that increases its tax by more than the rate of inflation; or does she realise that that aspiration is totally unrealistic given this mean and vicious settlement?

Ms Armstrong: Of all Tory Members, the hon. Gentleman should know better. He was a Minister in the Department and presided over very vicious settlements—much more vicious—for local government. He was there when the poll tax was introduced and, I suspect, lost his seat because of it, so we will take no lectures from him. Let me make it absolutely clear that I did not say that any level of increase was all right. I said that the Government do not set the guidelines—that is a matter for councils.

Mr. Tony Colman (Putney): As an honorary member of the board of the London First Centre, the inward investment agency for London, I have for about eight months been pressing my right hon. Friend the Minister to ensure that there is full transitional relief for the revaluation of the base for the uniform business rate. On behalf of the business community in London—both current and future—may I thank her for the full phasing that she announced and in particular for the additional cherry, which is the additional help for small and medium-sized enterprises? Will she comment on the variability of the change in the base for the business rate throughout London? Some areas have, perhaps, overheated in the past five years and others have not—I realise that advantages may accrue to Putney in my constituency, where rates may be zero or falling.

Ms Armstrong: This is one of the real anomalies. The revaluations throughout the country have resulted in extremely variable changes. That is partly due to the fact that the previous revaluation for 1995 was actually undertaken in 1993, when there was a severe slump in parts of London. The Government are seeking to ensure that they do not repeat the problems caused by the previous Government with boom and bust, and that we have more sustainable growth throughout the country. The variations are one of the reasons why I announced a review of the revaluation process, to find out whether we can get more fairness and stability and fewer of the excessive moves that were evident in the latest revaluation.

Mr. John Wilkinson (Ruislip-Northwood): My constituents in outer London will have little to thank the Minister for in this settlement. First, is it not the case that owners of businesses are facing an increase in the business rate of up to 5 per cent. per annum in spite of transitional relief, on top of the fact that if they go to work by car they may have to pay car-user charges and, if they own the business, they may have to tax parking space for their employees? When they get home to Hillingdon, they will find that their local authority is not getting adequate compensation for the additional cost of housing asylum seekers. Is it not true also that their quality of life is deteriorating because the police settlement—1 per cent. in real terms—is far below the necessary figure of about 3.5 per cent. in real terms that is required to maintain the same level of service?

Ms Armstrong: I do not agree with the hon. Gentleman. His constituents in Hillingdon will see a 5.2 per cent. increase in their SSA this year and that is

more than double the increase in inflation. The hon. Gentleman's residents in Hillingdon will recognise that the Government are fulfilling their promises to ensure that public services are funded so that opportunities for local people are better.

Mr. Michael Jabez Foster (Hastings and Rye): May I welcome my right hon. Friend's proposals to review commercial rate values yet again, to create more fairness? In certain parts of the south coast—my constituency in particular—flats on the domestic market have gone down in value since the last valuation, whereas houses have gone up. As a consequence, many of my lower paid constituents who have purchased cheap properties are paying as much as or more than those with houses. In those circumstances, will my right hon. Friend review as soon as possible the domestic rate values which affect the council tax for those constituents?

Ms Armstrong: There was a review of council tax banding and we announced that we were not changing it at this stage. We said that we would return to the matter, but I cannot promise my hon. Friend that that will be done in this Parliament. As there is a banding system, flats are likely to be in a lower band than houses. I hope that we can ensure that his constituents do not suffer because of changes in property prices.

Mr. Robert Syms (Poole): This statement will be greeted with disappointment in Poole simply because the area cost adjustment, which makes a tremendous difference to the amount of money that we have, is not being altered. I have no doubt that the local authority and local Members of Parliament would want to meet Ministers to discuss that matter further. The Minister seemed a little confused. At first she said that she would not see any delegations, but then she said she was meeting one from Hammersmith and Fulham at the request of their Members of Parliament. If the Member of Parliament for Poole and the borough council request a meeting, is she saying that she will refuse to see us: yes or no?

Ms Armstrong: As the hon. Gentleman knows, I have spoken with him about Poole and met his councillors. We are entering a formal consultation period, which is different from the discussions on which I embark during the rest of the year. Had Poole wanted to make representations about the area cost adjustment, it knew that the time to do so was during last year's formal consultation period. We said that we would not move on area cost adjustments this year because we were introducing three-year stability. The authority had the opportunity to make representations on that matter last year.

Kali Mountford (Colne Valley): I am very pleased to hear that there is to be a review of local government finance, which is much needed. My right hon. Friend was so right to say that previous settlements have brought about some perverse results. If we are to have some fairness, objectivity and genuine assessment of need and of the anomalies that arise—not merely between north and south but within regions and local authority areas—is it not essential not only to encourage authorities to take part but to sell the review as something on which they must embark? Can she also tell us how soon the review will be completed? It is essential for many of us who want fair settlements in the future.

Ms Armstrong: My hon. Friend is right; the matter needs to be fully discussed throughout the country. I assure her that we are doing whatever we can to ensure that that is done, so that authorities have the opportunity to put forward their ideas. I am keen to get on with the review, but I do so with a sense of realism because we are unlikely to find a system that suits the needs of everyone. However, there are other ways in which we can proceed, and I am anxious to find a method that is easier for everyone to understand. I defy anyone to have a close understanding of how every SSA works; it is the most complex of systems. For the electors, to whom it matters most, the system is virtually impenetrable. We have a responsibility to try to find something better for them.

We are getting on with the matter. I hope that, certainly by the middle of next year, we may at least be clear about the options and will be able to hold consultations on them.

Mr. Owen Paterson (North Shropshire): The previous regime that ran Shropshire county council—the Liberal and Labour parties—increased council tax by 24 per cent. during the past two years. As a result, the Minister asked senior representatives of the council to come to London during the summer. Mr. Malcolm Pate, whom my hon. Friend the Member for Ludlow (Mr. Gill) and I met last week, is now the leader of the Conservative controlling group on the council. He was told, and reported to me, that the Minister had promised a 6.1 per cent. increase for the next three years, in the interests of stability. The council has now received information that the increase will be 5.4 per cent.—

Mr. Deputy Speaker: Order. I trust that the hon. Gentleman will put a question.

Mr. Paterson: Were those representatives deliberately deceived by the Minister? If not, will she confirm today that the increase stands at 6.1 per cent., as she promised them?

Ms Armstrong: I promised no one the exact amount that would be received this year. The Government announced, throughout the comprehensive spending review, the amounts that would be available as a whole to councils each year, and that we would not be changing any of the methodology. We said that the only changes would reflect data changes in each area. I certainly did not tell any authority that it would receive a specific amount every year. I said that their treasurers would have an idea as to what was happening, because they knew the overall figures and they would know about the data changes and other changes in their areas. That is absolutely true.

Mr. Barry Gardiner (Brent, North): My right hon. Friend will recall from last year that my local authority of Brent received the worst settlement in the country, despite being the 20th most disadvantaged. None the less, I hope that she will be pleased to learn that even Brent council is grateful for a period of stability this year, so that it can plan its budget.

[Mr. Barry Gardiner]

I welcome the review of the basis of local government funding. I urge my right hon. Friend to take serious note of the problems faced by boroughs such as Brent, where over 106 languages are spoken in our schools and where the loss of ethnicity criteria in children's social services last year had the most devastating effect. I trust that she will take that into account.

Finally, on behalf of my business community—for small businesses in Brent—will she tell me what the business rate change is likely to be for them in the coming year?

Ms Armstrong: We will, of course, look at the needs of all authorities in the review, although, as I said, the more I hear today, the less confident I am that we shall find something that everyone is happy about. However, my hon. Friend will be aware that because we have ensured that no authority will receive less grant than last year, some protection has been provided for Brent. I know that that will be welcome.

There are huge differences in business rates throughout the country—even within London. For inner-London authorities, the revaluation has produced an increase of about 21 per cent. for large properties and 34 per cent. for—

Mr. Gardiner: Brent is in outer London.

Ms Armstrong: Yes. In outer London, rate bills will fall for 48 per cent. of large business properties as a result of revaluation. The liability will fall for 56 per cent. of small properties. In relation to small businesses, I assure my hon. Friend that no business will receive an increase of more than 5 per cent. next year.

Mr. Graham Brady (Altrincham and Sale, West): The Minister will be aware that, since 1996, when Labour took control of the borough of Trafford, council tax there has repeatedly increased above the rate of inflation. If she does not know that, her hon. Friend the Member for Stretford and Urmston (Ms Hughes) will tell her. What advice would the Minister give to Trafford pensioners, whose income is to be pegged to the rate of inflation? How can they deal with a council tax that continuously rises by more than the rate of inflation?

Ms Armstrong: I wonder why the hon. Gentleman never put that question to the Conservative Government.

Mr. Steve Webb (Northavon): Is the Minister aware that in rapidly growing authorities such as my own, South Gloucestershire, schools have to educate children for free, because the data on which funding is based are so out of date? What progress is she making on using information based on the number of children in our schools now, rather than months, if not years, ago?

Ms Armstrong: We have to use reliable data, collected in a way in which everyone can have confidence. That is as true for authorities that are gaining population as for those that are losing it. The hon. Gentleman will be pleased to know that this year's settlement will reflect changes in data.

Orders of the Day

Public Accounts

2.27 pm

Mr. David Davis (Haltemprice and Howden): I beg to move,

That this House takes note of the 68th and 69th Reports of the Committee of Public Accounts of Session 1997–98, of the 1st to 38th Reports of Session 1998–99 and of the Treasury Minutes and Northern Ireland Department of Finance and Personnel Memoranda on these Reports (Cm 4279, 4285, 4312, 4335, 4380, 4381, 4394, 4408, 4456, 4469, 4471 and 4515).

One hundred and thirty years ago, Gladstone looked beyond the immediate horizon of day to day politicking to set in train a package of public service reform that has been fundamental to the good governance of Britain ever since, and which has provided a model for the rest of the world to follow. That initiative helped to mark out Gladstone as one of the giants of the last century. The most important aspects of the package of reform related to financial accountability and, in particular, to the setting up of the Public Accounts Committee.

On the eve of the 21st century, the Government have the best opportunity since Gladstonian times to show similar vision and to modernise public accountability as they modernise government. In that way, they will be able to meet the ever more demanding needs of the citizen, and to reinforce public confidence in the process of government. That brings me to the centre of my challenge today: to make the House—this packed House *[Laughter.]*—realise that not only is financial accountability an interesting and positive force for improvement in public service, it is a central plank in our democracy. It will be every bit as important in the next century as it was in the last.

I start by reflecting on the past year. The Public Accounts Committee produced 40 reports, on matters as diverse as financial control in the European Union and the way in which the electricity regulator secured a benefit for the customer.

The number and variety of reports that we are able to produce is a testament to the tripartite structure. First, we rely greatly on the reports produced by the National Audit Office and the Northern Ireland Audit Office. Sir John Bourn, John Dowdall and their staff of experts produce a tremendous range of professional and interesting material from which we choose. The House should be proud of them and grateful to them.

The Committee Clerk, Ken Brown, and his staff cope magnificently with the volume of material that we cover. Ken offers sage counsel to the Chairman, keeps him in line and keeps the Committee's business flowing seamlessly. I offer the thanks of the entire Committee to all of them.

Finally, much is due to the members of the Committee, who co-operate well and work hard with diligence and tenacity. Their contribution, in the face of the Committee's heavy work load, makes a significant demand on their time. I do not expect to be disagreed with by Members in the Chamber today. I offer all of them my personal thanks for making my task easier.

In the past year, we have lost some valuable members. I pay tribute to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) and to the hon. Members for Reading,

East (Jane Griffiths) and for Halton (Mr. Twigg); and in particular to the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), who had served on the Committee since 1979. All those Members have made valuable and distinctive contributions and served the House well.

I notice that the hon. Member for Liverpool, Garston (Maria Eagle) is leaving us at the end of the debate, so I offer personal thanks to her for all the very distinctive and distinguished input that she has made to the Committee. Her contribution would augur well for a stellar future career. I shall also miss her advice on chess.

Mr. Charles Wardle (Bexhill and Battle): That is the kiss of death.

Mr. Davis: Yes; I finish off most people that way.

I welcome the hon. Members for Brent, North (Mr. Gardiner) and for Newbury (Mr. Rendel) and my right hon. Friend the Member for Skipton and Ripon (Mr. Curry), who have all joined the Committee since the last PAC debate, and who, I am sure, will be great assets to my team.

It also gives me great pleasure to welcome to the Committee the new Financial Secretary to the Treasury, the hon. Member for East Ham (Mr. Timms). He takes the place of the hon. Member for Hornsey and Wood Green (Mrs. Roche), who has moved on. This is my third PAC debate and my third Financial Secretary. The others have since been promoted, so I hope that the hon. Gentleman's new post will prove, and be viewed as, a blessing rather than a curse for him.

Let me turn to the headline figures for the year. The National Audit Office and the Committee generate substantial savings—some £365 million in the past year alone. Examples include improvements in the management of sickness in the Metropolitan police that led to a reduction of £23 million in the cost of sickness absence when compared with the previous year. That is equivalent to about 513 officers available for duty.

Improvements in the conduct of privatisations that have followed from our recommendations saved an estimated £63 million last year. Over three years, savings of £1.2 billion have been achieved equivalent to well in excess of £7 for every pound spent to run the National Audit Office.

Our work also has a qualitative impact. Work on underpayments to public service pensioners prompted the Department of Social Security to clarify and simplify the way in which it communicates with pensioners. Our work on the cervical cancer screening programme caused the National Health Service Executive to change its position on setting a target date by which all screening laboratories must meet the standards expected. That will now be accomplished by March 2000.

In total, some 1,900 significant changes to systems have arisen from the work of the National Audit Office and the PAC. Our work is of practical benefit to Government, as shown by the fact that some 92 per cent. of recommendations that were made in the past year were accepted.

Our reports can be categorised in many ways. I shall confine myself to four broad themes: first, project management, especially in information technology; secondly, better service delivery; thirdly, financial irregularity and mismanagement; and fourthly, the private finance initiative. I shall not dwell today on one of the major issues that dominated our work this year—the millennium bug. With just four weeks to go, the country will know soon enough whether the Government have succeeded in protecting vital services.

The first theme to emerge from our work concerns project management, especially information technology. That has been a key feature of the Committee's work in recent years. Failure to manage major projects successfully continues to plague this Administration, as it did the last. Enormous sums of money have been wasted, key public services have been disabled and the lives of citizens have been disrupted.

NIRS2, the new national insurance recording system, affects every adult in the land at one time or another, and we found a clear failure to deliver services to the citizen. It is reasonable to expect the state to be able to calculate correctly the pensions and benefits due to its citizens, but in this case many months elapsed when that could not be done. The failure to get that system working plunged many thousands of people, including those in the greatest need, those recently bereaved and those moving into retirement, into uncertainty and fear: uncertainty about the level of their future income, and fear that they might be running up a debt that they would have to repay, the value of which they do not know.

Even more troubling is the fact that, apparently, lessons are rarely learned. Yesterday, the Committee approved a report, which will be published soon, which summarises the lessons arising from an examination of more than 25 reports about IT projects published by the PAC and the NAO in the past 10 years.

That benchmark report reflects the Committee's concern that the failure to deliver Government IT projects places in jeopardy the success of almost every Government programme or initiative and makes any pledge about IT delivery of Government services look optimistic in the extreme.

Indeed, at one point—when considering the work of the immigration and nationality directorate, on which the Committee has yet to report, and with reference to the Passport Agency, on which we have yet to take evidence—the right hon. Member for Swansea, West (Mr. Williams) was moved to comment about the failure of the IT system that it had led to a situation where

"foreigners cannot get in and British cannot get out."

I do not want to pre-empt our report, but some obvious lessons stand out from the work over the years on IT projects.

On the inception and design of projects, the lesson is that it is necessary to analyse and understand fully the implications of the introduction of new IT systems for businesses and customers. There was a spectacular failure in that regard in relation to NIRS2.

On the management of projects, the lesson is that key decisions on IT systems are business decisions as well as technical ones. Senior managers have a crucial role in driving through the successful development of IT systems.

On relationships with suppliers, the lesson is that relationships between Departments and suppliers will have a crucial effect on the success of the project.

[Mr. Davis]

Contracts between Departments and suppliers must therefore be clearly specified. There have been repeated failures in that regard.

On post-implementation issues, organisations must learn lessons from projects undertaken, which can be fed back into the consideration of later projects.

I welcome the Government's commitment in their "Modernising Government" White Paper to a more co-ordinated and strategic approach to IT across Government. I also welcome the recently announced Cabinet Office review of major Government IT projects designed to ensure that future systems run effectively, deliver value for money and apply best practice.

However, poor project management does not stop with IT. Lessons can be replicated elsewhere. For example, our report on the management of the final part of the Guy's hospital rebuilding programme concluded that the project had been allowed to spiral out of control for nine years before any sense of realism was applied. The project was completed over three years late, at a cost to the taxpayer of an extra £98 million. Obviously, that extra funding had to be found from elsewhere in the national health service budget.

Poor project management can spell inconvenience for the citizen and can have disastrous effects for the taxpayer. Headline failures of major projects, such as the problems with NIRS2 and the Passport Agency fiasco, are writ large. The Committee is also increasingly concerned about the quality of service that citizens receive as they interact with Government.

That brings me to my second theme—better service delivery. My starting point is that taxpayers have a right to expect high standards of service from those public bodies that spend their hard-earned cash—most families pay well over £300 a week in taxes, in one form or another. Most important, individuals who are vulnerable or in need have a right to be confident that their interests will be safeguarded by the state. I am sad to say that we have found that that has not always been so.

The Public Trust Office looks after the financial interests of about 22,000 people with mental incapacity. It manages or supervises the investment of some £1.4 billion of patients' money. It charges them about £11.5 million for the privilege.

The Committee first considered the issue in 1994 and, as a consequence, published one of its most critical reports of the decade. Revisiting the subject this year, we found that the improvements that we had been promised had not been delivered and that, worse still, in some important areas performance had deteriorated markedly. That fell far short of what patients have a right to expect. The PTO had failed properly to protect the income and assets of patients. In many cases proper accounts of patients' income had not been received and about 90 per cent. of the accounts that were received were late. The PTO had missed many of its key performance targets, including important ones such as for the numbers of visits to patients. Its financial management, which is typified by its inability to produce accounts that could be audited, was appalling. Patients have been failed at every turn.

Needless to say, our report was strong, and I was delighted to see the response from the Lord Chancellor's Department. Sir Hayden Phillips, the permanent secretary of the Department, has not, historically, been a pin-up of the Committee. However, he showed great willingness to accept our findings and to commit to taking firm action. That provides a model for the ideal relationship between the PAC and Whitehall. As a consequence, the service to those that the PTO was supposed to serve will be enhanced considerably. Professional receivers will be appointed to look after the affairs of patients and the PTO will impose sanctions for poor performance. Minimum standards will be set for visits to patients to check on their financial welfare and there will be detailed monitoring of returns from investment fund managers.

The citizen also has a right to expect that the Government, when spending taxpayers' money, will act in a co-ordinated manner and that one Department's spending decisions will take into account the consequences on all others. That point was well illustrated by the Committee's 27th report on the work of Her Majesty's Customs and Excise and its operation of the red channels.

We discovered that decisions had to be taken to reduce the staffing of red channels. Reliance was placed, instead, on declarations—which were frequently made by telephone—of dutiable goods brought into the country. That policy delivered a short-term financial benefit, but I am concerned that such decisions can be taken without consideration of the long-term social costs of increased smuggling, particularly of drugs, that will inevitably arise as a consequence. The Department did not even estimate the cash lost by non-manning of the red channels, let alone consider policing costs and the other social costs that might have gone with the decision.

Mr. Tam Dalyell (Linlithgow): I read that report and Dame Valerie Strachan's evidence with considerable interest. Did the Committee consider at any time the problem of anonymous numbered bank accounts?

Mr. Davis: No, the Committee did not examine that particular problem. I raise the issue at this point, because I was primarily concerned about the lack of focus on the returns to the Government, to taxpayers and to society of a short-term financial saving. The Committee focused, as it often does, on a narrow issue—in this case, the red channels—but, as the hon. Gentleman's question implies, the decision had very broad consequences.

My third theme—financial irregularity and management—is a perennial one for the Committee. This year, the Committee broke new ground in our work on financial management and control in the European Union. We visited Brussels and Luxembourg, not to talk just to the European Court of Auditors, but to commissioners, Commission staff, parliamentarians and others, so as to get to grips with the scale of the problem and the actions in hand to address it. The Committee's conclusions are provided in our 29th report.

Our visit followed immediately on the refusal of the European Parliament to grant discharge to the European Community's budget and the subsequent resignation of the European Commission. We were frankly staggered by the scale of a problem that appeared almost endemic. Indeed, we were appalled by the culture of complacency that we found. We found a lack of clarity about who is accountable to whom and for what, a cultural emphasis on devising policy without regard to effective management,

outdated staff codes that inhibit effective management, weak financial reporting and inadequate arrangements for the detection and prosecution of fraud.

Everyone we spoke to agreed that urgent action was needed, but there seemed to be a lack of any real belief that it would be possible—and, indeed, there was little will—to make that happen. We concluded that Commissioner Prodi and Commissioner Kinnock face a monumental challenge as they seek to reform the Commission.

Again, we have received a very positive response from the Government. They stressed that they would continue to press for better accountability at all levels of the Commission and welcomed the appointment of Mr. Neil Kinnock as vice-president for administrative reform. They said that they would continue to press the Commission to introduce proposals for the reform of staffing codes, that they attached higher priority to proposals to improve the presentation of the Community's financial information and that they welcomed the change in format of the 1997 Court of Auditors report.

The Government share the Committee's concern over the Commission's failure to create an anti-fraud culture and they argued that the new anti-fraud body—which is known as OLAF—would be able to take a strong lead in creating a culture that was intolerant of fraud in European institutions. I am not entirely sure that the Committee was persuaded on that final point, but no doubt other hon. Members will refer to it in the debate. I have met Commissioner Kinnock again since our visit to discuss those important issues, and he has also enlisted the supported of Sir John Bourn and the staff of the National Audit Office in his efforts.

We are concerned about the financial management of public money wherever it is spent, as demonstrated by our series of reports about the improper use of public money by higher and further education institutions, the most notable being Halton college, which was considered in our 37th report. In that case, more than £6 million was overclaimed from the Further Education Funding Council for England for students who were not eligible, for courses that were significantly shorter than was claimed and for courses that were claimed at a higher rate than was justifiable. In those cases, there were failings in the audit arrangements.

Further education colleges appoint their own private sector auditors and, perhaps, it is time for a fundamental overhaul of auditing in the further education sector. I notice that in Scotland, the new Auditor General will audit every further education college. Perhaps similar arrangements should apply in England. We have been so exercised by the repeated failure of governance in such institutions that we have commissioned a special report, pulling out the general lessons arising from our work. That will be published in the new year.

The final historic theme emerging from our work relates to the private finance initiative. Our work on that illustrates how we take an essentially retrospective view of events—with 20:20 hindsight—and try to turn that into a degree of foresight, so that we identify lessons of wider applicability. We therefore take a forward-looking approach and our benchmark 23rd report on how to get better value for money from the PFI is a good example of that. In the report, we recognised the importance of the Government finding new ways to harness private sector business skills to identify scope for innovation in the delivery of public services. We concluded that the PFI offers enormous benefits if managed properly.

PFI contracts have been signed that involve private sector capital of more than £13 billion and that commit Departments to payments of more than £70 billion over the next 25 years. We recognise that PFI is still new and that all parties are still learning. Mistakes are inevitable while experience and guidance are continuing to develop. However, we have been frustrated by the old mistakes that have been repeated and where lessons, such as the need to get sums right—lessons which have long been established in conventional procurement—have not been learned.

Departments must avoid the temptation of the quick fix and the buy now, pay later option that delivers the service today, but at a significant cost to the taxpayers of tomorrow. Departments must evaluate risks and options thoroughly so that they agree only those deals that still bear examination several years down the line. We must be absolutely clear that there is sufficient information available to Parliament on the extent of the commitments. When items are moved off the public sector balance sheet, the commitment to vast on-going payments must be clearly understood. The PFI must not be used as an exercise in creative accounting.

That brings me to the need for greater openness and honesty in government use of information. One of the biggest revolutions that we have seen over the course of this century is the information explosion. New information technology and the spread of the internet have fuelled the growth in the collection and evaluation of information. Governments of all parties over the years have also played their part in making more information available and accessible.

Interest in such matters is not restricted to politicians and academics; there is widespread public interest in the performance of government. I therefore greatly welcome the recent White Paper, "Building Trust in Statistics". That is a laudable initiative, and it is imperative that the public should have total confidence in the integrity of government statistics. That might best be achieved by making the national statisticians truly independent and by ensuring proper parliamentary accountability. Perhaps the statistics commission should be placed on the same footing as the Comptroller and Auditor General. However, I know, Mr. Deputy Speaker, that I am wandering off-subject.

The key to securing proper accountability is the independence of those who provide information to Parliament on the performance of government. I have been troubled for some time about one aspect of the Comptroller and Auditor General's independence, and that is in relation to his audit of the Budget assumptions. That is a task undertaken by the NAO and the Comptroller and Auditor General in good faith, and of course it is right in principle that the NAO gives reassurance where it is appropriate.

I say honestly to the Minister that I take the view that reassuring financial markets, for example, about the validity of the Government's financial information is important and in the national interest. However, it is essential that the NAO's work is not misrepresented. It is required to audit changes in the assumptions that underpin the financial forecasts in the Budget, not to give a view on all the assumptions every year.

[Mr. Davis]

A fortnight ago, the Chancellor said that his pre-Budget forecast was based on assumptions audited by the NAO. The NAO has not been asked to audit most of the assumptions since 1997. Either the Government should ask the Comptroller and Auditor General to look at all the assumptions each year, or the Comptroller and Auditor General should be able to select which assumptions he considers. I ask the Government to consider the possibility of amending the Finance Act in the coming year to make that possible. As it stands, the position is akin to a company chairman selecting which subsidiary the auditor should audit in each year. The shareholders in a company would not feel comfortable about such a procedure. I ask the Minister to consider that carefully.

I shall now raise issues that apply to the future. All are based on the fundamental parts of the 40 reports before us. The issues underpin all those reports and are fundamental to the relationship between Government and Parliament and, in particular, the Public Accounts Committee. A number of developments at the centre of government, particularly resource accounting and modernising government, will require a major cultural change in government and will impact directly on our work.

Much has been said recently about public accountability acting as a brake on the creativity of Whitehall and on innovation and risk taking in government. Senior civil servants have held up the PAC as an obstacle to action and have fretted that they cannot deliver joined-up government for fear of incurring the wrath of the PAC. We must deconstruct that argument.

I have said on numerous occasions that I will applaud well-thought-through risk taking even where it goes wrong. The key, however, is the phrase "well-thought-through". The PAC is, rightly, tough on bureaucratic incompetence; for example, major IT projects that are poorly specified and badly managed. The instances that we have seen recently are the inevitable consequences not of risk, but of plain bad management.

The real issue for the civil service is that risk taking is counter-cultural in Whitehall. That is largely because risk taking requires a willingness to countenance failure and to abort projects that go wrong. Our experience is often that there is a failure to quantify risk and a tendency to throw good money after bad in ever more brazen attempts to convince the world that things can be put right. In such cases, we will be critical, but in cases where risks are properly measured, evaluated and managed, we will consider the outcome with an open mind. The PAC must no longer be held up by Whitehall as an excuse for the failure to innovate.

The need for public accountability must not be used as an excuse for failing to deliver services in the most sensible way. That is a further red herring traditionally used by Whitehall to justify not working in a joined-up way—I use the Government's language—with other parts of government. It is for the Government to determine who will be accountable for the delivery of public programmes, not the PAC. All we ask is that there is a clear line of accountability. If that requires three accounting officers appearing before us at once, so be it.

Our approach is not set in stone, merely bedded in the notion that identifiable individuals must ultimately be accountable to Parliament for the use of taxpayers' money. Indeed, it was an understanding of the cross-departmental nature of the problems faced by the Government that led me to ask the Comptroller and Auditor General two years ago to carry out an examination of the criminal justice system across all Departments. That report will be coming out in a week or two.

The Committee's positive response to joined-up working, where it is appropriate, is illustrated also by the case of the Public Trust Office, which I mentioned earlier. Clearly it is sensible for the PTO's services to be provided by different agencies, and we welcome that. Similarly, it is important that the interests of its clients are protected by the setting of very clear targets for performance and outcome, for which the Lord Chancellor's Department will remain accountable.

Critical to effective accountability is the need for auditors to have adequate powers to do their job properly. Again, my approach is simple: auditors should have the same rights of access as Government. In that way, the ability of Parliament to scrutinise the activity of Government would be protected, whatever mechanisms are used to deliver public policy. Certainly it must be wrong that European auditors, working on behalf of the European Parliament, have greater rights of access within the United Kingdom than the Comptroller and Auditor General, who is working on our behalf. There is a raft of areas where the Comptroller and Auditor General's access rights have not kept pace with changes in Whitehall, and I referred to many in last year's debate.

I say to the Minister that I fully recognise that under this Government there have been considerable improvements in the access rights of the Comptroller and Auditor General to royal transport and palaces, the lottery operator and the audit of all the new non-departmental public bodies established since the election. Indeed, the Lord Chancellor, Lord Irvine—who is also not a pin-up of the Committee—when proposing that the National Audit Office should audit the new Legal Services Commission, said that the Comptroller and Auditor General should be the auditor of all public bodies unless there is a special reason why experience found only in the private sector is required for a particular body.

Lord Irvine also referred to the fact that audit by the Comptroller and Auditor General means scrutiny by "those who possess the greatest expertise in the audit of public moneys".

His sentiments have now found support in the sixth report of the Public Administration Committee, which I believe was published yesterday and which recommends that the Comptroller and Auditor General should audit all NDPBs.

To return to Gladstone, the Government now have a once-in-a-century opportunity to modernise the public audit process. The Government Resources and Accounts Bill, which will give effect to resource accounting and budgeting, will substantially amend the founding legislation of the Comptroller and Auditor General's audit, but the Treasury has not yet seized the opportunity that the change presents. I shall therefore be pressing for that to be put right. In 11 of the 40 reports before the House today, the solution offered by the Treasury involves, in one respect or another, the move to resource accounting. The points that I shall now make apply directly to those reports as well as the overall position.

The Government must provide the Comptroller and Auditor General with the statutory access to documents, information and explanations that he needs to undertake

his work on behalf of Parliament. Even where the evidence is held by third parties—for example, those contracting with public bodies—and by organisations carrying out public functions under authorisation from Government or Parliament, it cannot be right that the Comptroller and Auditor General wastes valuable time and effort arguing for access on a case-by-case basis, subject to a Department's whim. Those frustrations extend even to the Committee.

We asked for the Comptroller and Auditor General to be given access to documents held by Oflot about the financial integrity of applicants to run the lottery. We first asked the Government to arrange that in March 1998. Subsequently, two members of the Committee had a meeting with the Secretary of State for Culture, Media and Sport, and we still await a decision. Frankly, that is not good enough.

The Government must ensure that the Comptroller and Auditor General is automatically the auditor of every non-departmental public body. The Government have conceded the principle and must take this opportunity to put it into practice. At present, more than 50 NDPBs, spending around £3 billion provided by Parliament, are not subject to his audit. The Housing Corporation, for example, spends more than £1 billion a year. Changes to the way in which government works have put large amounts of expenditure outside the departmental boundary. Managerial changes should not be allowed arbitrarily to remove expenditure from automatic parliamentary scrutiny. I hope that the forthcoming Bill will correct that.

The Government must enable the Comptroller and Auditor General to audit limited companies established by central Government bodies. Hon. Members may be surprised to learn that there are well over 200 such companies, receiving between £2 billion and £3 billion of public funding every year. The choice of vehicle through which the Government deliver an aspect of public policy and service should not determine the parliamentary scrutiny that it receives.

The Government must provide properly for the audit of any extension of resource accounts to include wider aspects of the public sector, as they have said may be their ultimate intention. The forthcoming legislation should give the Comptroller and Auditor General access along the lines of provisions in companies legislation to bodies whose accounts are consolidated into the wider whole of Government accounts that the Comptroller and Auditor General is required to examine.

The Government's proposals to change the basis for supply and the way in which Departments will be held accountable to Parliament should not be brought into force until it is clear that the new system is better than the one that it is intended to replace. I seek an undertaking from the Government that the relevant sections of resource accounting will not be implemented until the Committee has signified its satisfaction and the Government have provided us with assurances that all Departments are fully prepared for the change.

Mr. Geraint Davies (Croydon, Central): Does the right hon. Gentleman believe that the work of the Audit Commission should be accountable to a Select Committee of this House, be it the Public Accounts Committee or the Environment Sub-Committee, in the way that the NAO answers to the PAC?

Mr. Davis: That is not what I am getting at, although it would be a worthwhile reform. I would not want to make the Audit Commission accountable to the Public Accounts Committee, unless the hon. Gentleman wants to turn up to 100 meetings a year rather than 50, as we have now, but it would be valuable to have a second PAC to deal with the output from the Audit Commission and hold the Government to account on it. I hope that the hon. Gentleman pursues that worthwhile idea, but it is not the point that I was making.

Mr. Dalyell: I do not want to interrupt the flow of the right hon. Gentleman's interesting and informative speech. Has the Committee had any difficulty with bodies in Scotland and the Scottish Executive?

Mr. Davis: The hon. Gentleman tempts me enormously.

Mr. Dalyell: Succumb to the temptation.

Mr. Davis: I try never to succumb to temptation. The purpose of my Committee is to prevent people from doing that. Like the hon. Gentleman, I am concerned about that large tranche of money—£14 billion, or however much it is—that is spent on grant from this Parliament to Scotland. We have attempted to create an audit committee in Scotland that is equivalent to the PAC. I am attempting to make sure that it is able to learn from our experience. However, that does not deal with the hon. Gentleman's point, which is that accountability to this Parliament for that £14 billion has been sheared off and dislocated as a result of last year's devolution legislation, but that was a decision of this House. He and I both have to live with it, whether we like it or not.

My final point, on which I shall talk only briefly, is incredibly important. The Government have not addressed the audit of performance measures.

Sir Robert Smith (West Aberdeenshire and Kincardine): A small amount of the Scottish block is spent by the Secretary of State for Scotland. Is the use to which that money is put still accountable to the right hon. Gentleman's Committee?

Mr. Davis: The permanent secretary to the Scottish Office is responsible for the entire £14 billion. It is possible to summon him to account for the use of all of it, but the difficulty is that the National Audit Office is unable to penetrate behind that £14 billion to inform the Committee about its use. One of the virtues of the Public Accounts Committee is that it is non-partisan in its findings. One reason why it can be so non-partisan is that it has a strong factual basis for every decision or recommendation. It is hard to dispute party points when the facts of misdemeanour, waste, misuse, inefficiency or lack of service delivery are staring people in the face. That is what we lack for the Scottish money. We can still summon the permanent secretary, but we do not have the vital weapon that we have with every other aspect of public accounting in this country.

[Mr. Davis]

As I said, the Government have not addressed the audit of performance measures. The Government's proposed resource accounting reforms will require the annual preparation of statements of performance. They may well be the most important component of the reforms. Despite a long campaign by the Public Accounts Committee, the Government have not yet decided whether they will be independently audited. The Select Committee on the Treasury reported in July this year on the need for external validation of performance measures and concluded that the National Audit Office would be the best body to do that. The Government's response is disappointing. Performance measurement has tremendous potential to serve as a lever to improve the delivery of public services and to increase the openness and transparency to Parliament and to the citizen of what the Government have done on their behalf. However, all Governments will have to resist the temptation to manipulate performance information. That temptation applies to every Minister in every Department in every Government of whom I have had experience. Independent validation is an essential protection in that respect.

The Government must accept that there is a stark parallel. Local government is properly being subjected to a rigorous, independently audited performance measurement regime—the so-called best value regime. We are told that poor performers will be named and shamed and publicly exposed. The Government are rightly spending millions of pounds on equipping the Audit Commission to carry out that role, yet the same strictures are deemed inappropriate for central Government. Why? The Government's failure to allow the NAO to carry out for central Government the role that its counterparts will carry out for local government is beyond comprehension. Hard facts and truthful data are the currency of debate in any democracy. It is vital that they are not debased in any way.

There have been controversies in recent months over the treatment of a wide variety of information, from tax burdens to waiting lists. I shall not get involved in those controversies today, but I want to prevent them from happening. It is vital that the public have absolute confidence in Government information, be it on hospital waiting lists, tax burdens or any other matter.

The Comptroller and Auditor General and his staff have been developing methods for validating performance measures. The Bill that the Government will shortly introduce should allow the House to benefit from that expertise through routine reporting on performance measurement as part of the examination of public accounts. That would be consistent with the National Audit Act 1983, which deals with efficiency and effectiveness in the delivery of public services.

As we enter the next century, the Government should recognise that they have a unique opportunity to emulate one of the greatest successes of the last century. I have no compunction as a Conservative in recognising that it was a success brought about by a great Liberal Prime Minister. It might seem rash, but a Government truly seized by reforming zeal would update not just the process of government, but the public accountability system that is its cornerstone. Gladstone's contemporaries 130 years ago might have thought him mad to establish an auditor that the Government could not sack, to put the whole of the Government, as they were then, within his remit and—maddest of all, dare I say—to create a Public Accounts Committee chaired by an Opposition Member. What might have been seen as madness at the time has been seen subsequently as his most visionary action. The Government must be equally visionary this year.

I fully understand that what I am proposing would not yield short-term political profit for the Government. If they set out to modernise rather than marginalise Parliament, they will make their own political job a little harder. However, if they grasp the opportunity and have the courage to recognise that strong democracy generates good government, we shall all have reason to applaud their actions.

3.10 pm

Mr. Alan Williams (Swansea, West): At the start of his speech, the right hon. Member for Haltemprice and Howden (Mr. Davis) said that the House was packed. Look around and see what he has done. I greatly respect his chairmanship, but he should have learned a lesson from the fact that two previous Financial Secretaries could not stand coming here again.

I shall echo the right hon. Gentleman's approach, in that rather than giving a nut-and-bolt, step-by-step résumé of the year, I shall try to put our activities in a broader perspective because this is a singularly appropriate time to do so. In a recent, equally well attended debate on Select Committee leaks, I noted that Britain prides itself on its democracy but is under an enormous illusion in that belief. The ordinary citizens' participation in parliamentary democracy, if they lived to 80, would be a mere 20 votes. What is democracy and where do we find it? In a representative democracy, the answer must be here in this building or not at all. It is to be found here in this Chamber, but even more in our Committees. Although much of what we do is pedestrian by nature, it does not alter the fact that it is fundamental to the preservation of a working, meaningful democracy. If the Executive are not made continuously accountable, democracy will cease to exist.

The year before last, a retiring permanent secretary said that the Public Accounts Committee should not be confrontational or about blame. From his perspective, I understand that that might be an uncomfortable scenario, but his statement showed a lack of understanding of the Committee's role and nature. As its Chairman said, it was set up 130 years ago at a time of corruption, sleaze and waste. That may prompt some to ask whether was it worth it, but it is not appropriate to ask so facile a question. We should recognise that waste, inefficiency and impropriety are not to be fought as individual battles but as part of an on-going campaign to suppress and restrain them. Human nature being what it is, we cannot get rid of them but only try to contain them.

The sheer scale of what our one Committee is trying to do is rarely understood in its democratic context outside the House. Fifteen of us try to monitor more than £300 billion of public expenditure. When we were set up 130 years ago, there were only a couple of Departments to monitor, so a small Committee was appropriate. Now more than 4,000 accounting units spend the £300 billion. We meet only 50 times a year. Hon. Members will confirm that meeting twice a week, as we do when Parliament is sitting, with each report being different and

consisting of 70 pages of briefing, is quite an onerous responsibility. However diligent the 15 of us may like to think we are, the PAC can only scratch the surface.

Returning to the permanent secretary who thought that the Committee was confrontational and involved with blame, I ask anyone to consider, with 4,000 subjects of possible examination, whether we should take them in turn or try to prioritise them. If we are to prioritise them, should we not pick those where there are lessons to learn? It may not be a matter of blame. The more innovative the subject being considered, the more essential its scrutiny so that any problems are rooted out as early as possible.

Sometimes our work is frustrating. We revealed the problems of computerisation, but they continue to appear. We deal with the dangers involved in varying costs and the problems of conflicts of interest. However, we could do those things in only the most token way if it were not for the National Audit Office. I do not say that to pander to the NAO, whose work we all respect. It has some shortcomings, but also enormous achievements. A Committee of 15 hon. Members, with constituents to look after and responsibilities imposed by the Whips, cannot pretend to monitor at all effectively what the Government are doing without the work of the NAO. There is nothing like a spell in opposition to make one understand the value of such monitoring. It is a measure of the scale of the task synthesised for us that it takes 750 staff to enable the NAO to do the monitoring that it undertakes on our behalf and to prepare reports. I emphasise to the Minister, because the whole Committee will return to this, that the NAO can do its work only if it has, and continues to have, appropriate access to each of the 4,000 units.

The NAO and the Comptroller and Auditor General must remain independent. In fairness, in recent years they have been made increasingly independent. However, their accountability and reports must be to Parliament and our Committee and not, as has been mooted in some quarters, to the Treasury. It would be ludicrous to have the monitor of the Executive reporting to the Executive. They do that sort of thing in Moscow, and we have seen the results there.

I am not opposed to change. Indeed, I have been a great advocate of changes. As a Committee member, I am concerned only that when they happen, we are prepared to deal with the consequences. The whole House, and Ministers in particular, have a responsibility there. There have been changes in the structure of Government that make accountability more elusive. I mentioned fragmentation and the 4,000 units that we try to monitor. Yesterday, the report of the Select Committee on Public Administration noted that there were more than 1,000 non-departmental Government bodies and various task forces. We are now told that the NHS Executive will be divided into more than 600 different accounting units. We are in a dynamic stage, with experimentation in the structure of government and in the way in which we deal with the people who are deemed to be appropriate to make up the Executive. I am not making any value judgments about the desirability of those developments. They have happened and I am observing the consequences.

Civil servants have increasingly had to become accustomed to short-term contracts. Such contracts, by their very nature, have the potential to diminish the loyalty of civil servants, and they certainly diminish their experience, and the ethical and financial codes that apply in the civil service. If that is the way in which things are to go, so be it, but we should monitor the consequences.

As for entrepreneurial activity in government, I was a Minister in the Department of Industry way back in the 1970s, and in the Department of Economic Affairs in the 1960s. We always sought cross-fertilisation of ideas between the civil service and private industry to get the best for the public service. People find it frustrating if they come into the civil service and are given chief executive positions but have no background in the public ethic and no experience of the public approach to taxpayers' money.

One lunch hour, I sat in the cafeteria with a Minister—I would never dream of revealing his name or which party he was in, but I have been back on the Committee since 1990, so he could have been in either Administration. He told me, "I hope you realise that your Committee is costing my Department money. We are spending good money to employ business men, and they are telling us that they are afraid to do things in the way that they want to because they are afraid of the Public Accounts Committee." They have reason to be afraid only if they do not observe the rules. Business men have incredible freedom to ignore their shareholders, but the taxpayer cannot be ignored. Parliament cannot afford to allow the taxpayer to be ignored.

Mr. David Davis: I am listening to the right hon. Gentleman with fascination. I have worked in business, and one of the misapprehensions of the public sector is that businesses are loose, slack or unethical with the use of money. In truth, the controls in business are often much tighter than in the public sector. I think that that is in part because the public sector rests, quite reasonably, on the integrity and altruism of the people who work in it. Does the right hon. Gentleman accept that when people are taken out of a controlled environment and put into one that assumes a level of integrity and altruism, that of itself creates a problem?

Mr. Williams: Yes, of course. We agree that there is a problem, and we must address it. It may have been before the right hon. Gentleman's time as Chairman, but after a debacle involving a chief executive of a quango I advocated that all new chief executives should be required to attend a civil service college initiation course, so that they were not thrown in at the deep end.

Our dearly beloved colleagues in the Treasury covered their backs by supplying people with a bunch of notes on what they should and should not do, and the relevant Department also covered its back against the Committee and the Treasury by supplying another set of notes. People were pitched into the job and were not given any time to read the notes, and the Department was surprised when they did not observe the rules. We have now tried to address the problem. The key difficulty is not with the personnel, but with the structures that are being considered.

The changes are making the money trail more difficult to follow. It is not just that there are too many of them, but that a trail is often cut off and a fence is put across it. Therefore, accountability is blurred and diminished. It does not matter whether we are for or against privatisation and contractorisation. It is interesting that in local government the Audit Commission is allowed to follow

[Mr. Williams]

public money wherever it goes, but at governmental level where there are much larger budgets, the National Audit Office does not have that power. Every act of privatisation or contractorisation diminishes the area that the NAO can investigate, but it is still the taxpayers' money. In diminishing what the NAO can examine, it diminishes what the PAC and the House of Commons can examine.

Like my friend, the right hon. Member for Haltemprice and Howden—we are personal friends even if we are political adversaries, and our Committee is non-political because it is factual, which is one of the joys of serving on it—I am most concerned about this problem, and I cannot emphasis that too strongly to the Financial Secretary. I know, however, that he has not had a chance to immerse himself in the subject. Richard Crossman used to say that it takes six months to read one's way into a new job, and that is probably about right if it is a subject that a Minister has not dealt with before. The Government should make their changes—that is a policy decision—but they should ensure that the powers of the NAO and the PAC are adequately amended to cope with those changes. It is not just a matter of nut-and-bolt auditing, but about accountability and whether this is a democratic institution.

Mr. Dalyell: May I be forgiven a reminiscence as Richard Crossman's Parliamentary Private Secretary? That formidable and, in my view, excellent permanent secretary at the Ministry of Housing and Local Government, Dame Evelyn Sharp, used the PAC to pursue her own policies against those of the Minister. I am sure that that does not happen these days.

Mr. Williams: Having known the Minister and his determination to get his own way, I can well understand why Dame Evelyn may have been so tempted.

The Chairman gave a list, which I shall not repeat, but I shall touch on two items mentioned. The report of the Select Committee on Public Administration, which was published only yesterday, emphasised that the Comptroller and Auditor General should be given the power to audit all—not just some—executive non-departmental governmental bodies.

The other item concerns an innovative, controversial policy—perhaps it is less controversial to some than it is to others. The body that is to be established to carry on public-private partnership business will be involved with massive sums of public money. It will also commit Government for a long time—a 30-year commitment on the average project. It is imperative that something as new and innovative as PPP, and with so many potential pitfalls—potential opportunities, as Governments would see it—should be monitored properly and thoroughly. That can be done only by the PAC and the National Audit Office, and I am sure that we shall have further discussions with my hon. Friend the Financial Secretary and his ministerial colleagues.

I apologise for speaking for so long, but I want to make another point emphatically. I am increasingly irritated by a factor to which the Chairman of the Committee himself referred. By its very nature, the Committee is retrospective, in that the event involved has to have happened, the National Audit Office has to have discovered and investigated it, the NAO has to have reported to us, and we have to have had a hearing. A year or 18 months can pass between an impropriety, or even a minor mistake, and our hearing about it.

One of the most galling consequences for us is that, invariably, the more serious the case, the less likely we are to see before us the accounting officer who was accountable at the time. There is a noticeable incidence of premature retirement as a result of, for instance, the onset of severe backache, which seems to correlate directly with the severity of the NAO report.

The Committee has reached the unanimous view that retirement, or moving to a different Department, does not exonerate a civil servant from his duty to answer for that for which he was paid.

Mr. Richard Page (South-West Hertfordshire): I empathise with the right hon. Gentleman's request. Does he think that it is worth asking the NAO to carry out a statistical audit to establish whether more accounting officers move, or retire, when they are due to appear before the Committee, as against normal movement within the civil service?

Mr. Williams: During the previous Parliament, I engaged in a little experiment. In May, we organised a hearing involving a certain health authority. We decided to call back from retirement the man who had chaired the authority when the problem had arisen. During the hearing, I asked Sir James—the chairman involved—when he had first learned of the date on which the authority would first appear before the PAC. He replied, "Two weeks before Christmas." I then asked, "When did you resign?" He said, "One week before Christmas."

3.33 pm

Mr. David Rendel (Newbury): I am delighted to take part in the debate. Let me begin by apologising to the House. I have already written to Madam Speaker, to the Committee Chairman and to the Financial Secretary to the Treasury, explaining that unfortunately, owing to a prior engagement, I shall have to leave the Chamber at about 5 pm, and consequently will be unlikely to hear the end of the debate. I am particularly sorry that I shall miss the Financial Secretary's response to the debate—unless all those who wish to speak after me speed up their remarks considerably, in which event I may still have a chance to hear his speech. I hope that I shall.

I am pleased that my name is attached to the motion. It is a great honour, as I am the newest member of the Committee. I have attended only one sitting so far, and have attended none of the sittings to which the reports that we are discussing relate. In a way, therefore, I feel something of a fraud today, but I am, as I said, delighted to speak in the debate. I was particularly pleased by what the Committee Chairman said about the work done by my predecessor as a Liberal Democrat Committee member, my right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan). He served on the Committee for a long time, and I am sure that he will enjoy reading the Chairman's comments in *Hansard*.

Although I was not a member of the Committee during the time to which the reports refer, I have had the opportunity to make use of a number of PAC reports in the past. Some proved excellent and valuable, especially

those relating to the Child Support Agency and the national insurance recording system. In the last Session, last January, I spoke in the debate equivalent to this about the PAC's first report on NIRS. It is, perhaps, something of a coincidence that the Financial Secretary should, like me, have moved from the issue of social security, with which a number of the reports were so concerned, to his present duties.

Over the past year—since I spoke about NIRS—a number of other major failures in the Government's computer projects have come to light. A series of large-scale projects have come to grief in one way or another, including—importantly—the project to re-computerise the passport system in the Home Office, which had such dramatic results last summer. In the Department of Social Security, there was not just NIRS but the benefit automation project, which was intended to automate the system for benefit transfers and to help local post offices. Both those arrangements went badly wrong.

In both instances, because such large Government computer systems were involved, a large number of people were involved—millions, in some instances. We are talking not just about those who are comparatively well off and can do something about it, but about many of our constituents who are not at all well off. Such people find it difficult to deal with Government bodies at the best of times, and are hopelessly confused and unable to respond appropriately when a major computing system goes badly wrong.

I want to concentrate on NIRS2, because it strikes me as a good example of what has gone wrong, and I feel that it may be possible to draw some conclusions from the Government's failure to deal with it adequately. I refer particularly to the Committee's twenty-second report, produced in the last Session.

The problem is that NIRS2 was allowed to go "live" before it had been thoroughly tested. I appreciate the Government's difficulties: the system was set up under the previous Government, and owing to various changes that had been made, it was inevitable that we should have a new computer system to record national insurance payments. The Government were in a difficult position, in that they had to get the new system going, but the previous Government had failed to appreciate the time scale that would be needed for the introduction of a new system. That meant that NIRS2 had to be introduced before it had been tested and debugged, and before all the necessary corrections had been made. As a result, not unexpectedly—at least, it should not have been unexpected—the system collapsed, and all new and repeat claims for contribution-based retirement pension, job seekers allowance, incapacity benefit and related housing and council tax benefits were for a while paid "blind", on the basis of what the individuals concerned said were their records, rather than what the Government had recorded. That obviously caused many difficulties. It caused the possibility of errors in payments—overpayments as well as underpayments—in the case of people who could ill afford such errors.

The present Government, rather than the previous one, are surely to blame for the fact that, for many months after the story broke in August 1998, DSS Ministers underplayed the scale of the problem. They simply did not realise how big it was. They failed to warn people of the likely effect. They claimed that they would be able to deal with it fairly quickly and easily, but it eventually became obvious that that was not the case, and that the delays would have severe effects. When we debated the subject in January it was made clear that, even after the publication of the PAC's initial report, the Department had failed to inform the PAC that the situation was not only continuing but had worsened, and the PAC was rightly angry about that.

Had it not been for the PAC's reports, many members of the public and officials might still have been in the dark about the extent of the problem and the difficulties that they might meet, and so might not have been able to help some people to overcome the difficulties that they would face as a result of a systems failure.

In some cases, those difficulties amounted to what might seem to be comparatively small underpayments or overpayments of £1.25 a week, but in other cases, involving SERPS payments or private pension payments, they could have amounted to as much as £100 a week. That is clearly a significant sum, but even the much smaller sums may be significant to those living on a state retirement pension with no other form of benefit, whose income is therefore restricted, and who are living hand to mouth, as, sadly, those who live on the most basic benefits have to do.

As the Chairman said, one of the great difficulties was many people's fear that they had been overpaid. Many who were not overpaid feared that they had been overpaid and so felt unable to use all the benefits that they were given, putting them to one side in case they were later called on to return them to the state.

The Government's difficulty was that, by failing to register the size of the problem and the difficulty that they faced in rectifying it, they led people to believe that the problem would be over by a certain date, but that date changed time and again. As a result, people did not know where they stood.

The most important thing is that the Government should take on board the lessons to be learned from the PAC reports and others. Lessons must be learned from not only the NIRS2 system but all the other IT systems that have gone wrong to ensure that such things do not happen again. We will need massive IT projects, so we must ensure that the Government are running good IT systems. Some of them will be large for the very good reason that there are many millions of people in Britain, all of whom may have different requirements.

Mr. John Bercow (Buckingham): Before the hon. Gentleman moves on to the lessons that we might usefully draw, does he agree that computer inadequacy is also the principal reason why the Department for Education and Employment has been obliged to tell us that approximately 50,000 young people have left the new deal to proceed to what it euphemistically calls "destinations unknown"?

Mr. Rendel: I am sure that the hon. Gentleman knows a lot more about that than I do, and if he claims that that is right, I have no reason to suppose that it is not, but it is certainly not a subject that I know enough about to confirm to the House that he is right. He may have a chance to catch your eye, Mr. Deputy Speaker, and to say more about that later.

We need to consider how such projects are conceived and what they are meant to do. In future, the Government must consider more carefully how the programmes will

[Mr. Rendel]

be used, how people will be able to handle them, and the real requirements of the end users. The Government's needs may be taken into account, but sometimes the end users—the benefit recipients—are not sufficiently taken into account.

A further point concerns contingency plans. The very fact that such programmes are necessarily large and complex means that, almost invariably, they will go wrong, particularly when they are first introduced. That means that those who operate the systems must have enough time to get them up and running properly and to iron out all possible initial difficulties alongside the old system.

There must also be a contingency plan for dealing with problems after the introduction of the new system. It was the lack of a proper contingency system that caused such enormous problems when NIRS2 was introduced; there was no way of returning to the old system when the new system was introduced, causing many further and, to my mind, unnecessary problems. We must ensure that services can continue to be delivered to our fellow citizens whatever happens to a new computer system.

Many of the new large systems will be introduced under the private finance initiative, whichever party is in power, even when my party takes over in government—*[Interruption.]* Some of us think long term, even if most do not.

It is important to recognise that the whole point of introducing such systems under the PFI is to transfer some of the risk and its cost to the private sector. When such systems are introduced they are necessary. With regard to NIRS2, only a small amount of compensation has been paid by Andersen Consulting, which produced the system, because once it started going wrong the Government were over a barrel. In effect, they were told, "You need us to make sure that it works in future, so if you start demanding compensation we will back out and leave you in a hopeless situation." The Government were, in effect, almost blackmailed, so they allowed the company to try to iron out the problems without its having to pay a lot of compensation.

Therefore, the risk that the Government thought they had transferred to the private sector was not so transferred at all and, in effect, the taxpayer has had to pay for all the problems. If we are to continue to use the PFI, we must recognise that difficulty. We must recognise that, once such massive projects are under way, it is hard to change the contractor running them, giving them a great hold over the customer. In such a situation, it is hard to see how the risk can be transferred. That is a problem that the Government have not answered. I do not pretend that I have an answer to it, but it is something that needs to be worked out. If the PFI is to work properly, we need to find a way of genuinely transferring the risk to the private sector.

There must be better ways of handling such big projects. In so many big projects the Government systematically fail to ensure that they work properly and that, when things go wrong, the costs do not fall on the public sector. There must be better ways of handling such projects. I can only suggest that it would be a good start for the Government to pay careful attention to the PAC's reports and to see whether they can learn some lessons, which will enable us to avoid some of the horrific problems that we have had with computer systems such as NIRS2.

3.49 pm

Mr. Gerry Steinberg (City of Durham): This is the first time I have participated in one of these debates, and I shall be brief. I shall certainly be briefer than the Chairman was. It is a pity that he is no longer present because I wanted to remind him of how long he spoke this afternoon and how little time he gives me in Committee. If he returns, I shall do so.

First, I pay tribute to the Committee staff. I have read past debates, and paying tribute to staff is a convention, but I do so sincerely. The staff are excellent; they keep us supplied with the briefs and papers that we need. The right hon. Member for Haltemprice and Howden (Mr. Davis) has returned to the Chamber. Earlier, I told that House that I intended to be much briefer than the right hon. Gentleman in view of the amount of time that he grants me in PAC meetings.

Mr. David Davis: My entire speech probably did not make up for the hon. Gentleman's overruns this year.

Mr. Steinberg: We shall not continue the argument.

I pay tribute to the National Audit Office, without which the PAC could not survive. Indeed, we would not exist without it; it does an excellent job.

I have been a member of the PAC for just over a year. It has been one of the most enjoyable experiences that I have had since coming to Westminster 12 years ago. Whitehall needs to be kept on its toes, and the PAC does that. One of the most incredible aspects of interrogation in the PAC is the complacency that some senior civil servants demonstrate. I sometimes despair when billions of pounds have been wasted and senior civil servants remain complacent about it. Perhaps they object to being questioned by, in my case, a minor Back Bencher. The PAC thus has a vital role to play. The Committee is well controlled by the right hon. Member for Haltemprice and Howden. He is a fair man who does a good job, although I am convinced that he gives me less time than anybody else.

It is the Committee's strict convention to be non-political. That convention is well respected, although it has been difficult to be non-political in the past year—I have been brought into line on several occasions. However, I suspect that it will become easier to be non-political as time goes on and we consider reports from this Government rather than those of the previous Administration.

Today presents an opportunity for a more open debate, which is welcome. This afternoon, we can express opinions that we cannot present in Committee because of the convention that I mentioned. I shall not philosophise like my right hon. Friend the Member for Swansea, West (Mr. Williams) and the right hon. Member for Haltemprice and Howden; I shall be a little more blunt.

I believed that we could discuss approximately 40 reports today, and the right hon. Member for Haltemprice and Howden said that the number was indeed 40. However, I want to concentrate on the two reports that I found the most interesting and, politically, the most

controversial. I want to discuss the reports on the two privatisations—of British Energy and Railtrack—that the previous Government undertook. I believe that the previous Government proceeded with them purely for reasons of dogma. My argument this afternoon will clearly demonstrate that.

Let us consider British Energy. The PAC's report examined whether the Department of Trade and Industry took reasonable steps to minimise taxpayers' financial exposure to nuclear liabilities, and whether it maximised the proceeds obtained from shares. Not long after I first entered the House in 1989, the then Prime Minister made it clear that she would not touch the privatisation of British Energy with a bargepole. Yet in 1995, the previous Government went ahead with the sale. Initially, the sale of shares was a flop, and many remained unsold—indeed, only 88.5 per cent. were sold. The sale raised approximately £1.26 billion at a time when British Energy owed the Treasury £600 million. A simple sum shows the amount of money that the sale of shares raised. The remaining shares were sold later—not by design, but because they could not be sold initially. That extra sale raised £198 million. The total raised was due to good luck rather than good management.

The eight most modern nuclear power stations were sold while the older stations were retained in the public sector. The older nuclear power stations are nearing the end of their useful lives and will soon need to be decommissioned. The sale ultimately raised approximately £1.5 billion, yet it was hoped that it would raise £3.7 billion. So the loss to the taxpayer was enormous; one does not have to be a mathematician to work it out.

The original construction of Sizewell B, one of the power stations that was sold, cost approximately £3 billion. I would have expected the privatisation to raise at least the original capital costs of the eight power stations that were sold. Yet the sale fell well short of the cost of one power station. To make matters a darn sight worse, the Treasury had expected to receive from the nuclear industry approximately £560 million in 1996-97 and £1.12 billion in 1997-98. Yet after privatisation, the industry cost the taxpayer £950 million over the same period. That is not a good deal.

After privatisation, the nuclear industry changed from an income-generating industry into a revenue drain. It now costs the taxpayer more to run the nuclear industry in the form of British Nuclear Fuels plc because it no longer controls profit-making modern stations. To make matters worse, the taxpayer will have to pay for decommissioning the older magnox power stations without the benefit of any revenue from the modern stations. Again, that is not a good deal for the taxpayer. The decommissioning will cost approximately £8 billion. Even worse, the privatised industry will be expected to make a contribution of only £16 million towards paying for long-term liabilities of nearly £15 billion. Clearly, that privatisation was an absolute failure that caused a huge loss to the taxpayer.

The PAC concluded that the nature of nuclear liabilities caused inevitable uncertainties, especially in the long term, about British Energy's ability to finance them and that, therefore, the Government should monitor carefully the company's on-going ability to meet its liabilities without recourse to the taxpayer. The Committee also concluded that the taxpayer was still open to financial liability for British Energy's nuclear power stations. Those financial liabilities arise from several causes.

First, British Energy has a fixed-price contract for fuel reprocessing with British Nuclear Fuels plc, which is still publicly owned. Secondly, there is currently no technology for the disposal of nuclear waste in the United Kingdom. Thirdly, there is a residual risk that, in the long term, neither the trust fund that was set up, nor British Energy, will be able to finance the full cost of nuclear decommissioning. For those reasons, it is my view that that sale should never have gone ahead—there are too many doubts regarding an industry that must, at all times, have safety as its paramount consideration.

When the Department of Transport privatised Railtrack in 1996, it sold all the shares at one time, for £3.90 each, through a stock market flotation that raised about £1.9 billion. About two years later, when the NAO wrote its report, those shares had risen in value to £16 each. The report clearly states that one of the aims of the sale was to get a good deal for the taxpayer. Although that was a simple aim and £1.9 billion was raised, Railtrack was worth £8 billion two years later. Quite contrary to the stated aim, the deal was dreadful: the British taxpayer and the Treasury lost a fortune and the company was sold off for about £6 billion less than it was worth. That money could have gone into Treasury coffers to be used in health or education or to build hospitals. Quite obviously, the policy was to sell at all costs.

The situation was made worse because, as a result of previous privatisations, the Department should have known what to expect. It was clear that selling shares in stages had produced substantial increased proceeds: the price rose over time and became higher than that achieved when all the shares were sold at the initial issue price. Two examples come to mind: the sales of National Power and PowerGen by the Department of Energy. The shares were sold in two stages and, as a consequence, the overall proceeds from the two sales were £2.3 billion higher than they would have been if 100 per cent. of the shares had been sold initially.

At the time, the Department of Energy set out its reason for adopting the phased sale strategy in great detail and circulated the information widely throughout Departments so that its experience could be of benefit during future privatisations. Did the Ministry of Transport take any notice of the information that was given it? No. The information and advice that the Department of Energy had passed on to all Departments were ignored and the Ministry of Transport lost billions of pounds for the taxpayer. In my view, that is a scandal. However, when the PAC questioned the chief accounting officer on those issues, the response was quite complacent. It did not even seem to have been accepted that what had happened was anywhere near a scandal.

The NAO report states that a 100 per cent. sale was decided on because of the Treasury's concern about the impact of a partial sale on the confidence of investors in the light of the approaching general election. If that was the case, it is clear to me that the policy was to sell at all costs. Political dogma, if I dare say that again, overrode the financial consequences of the privatisation. What can only be described as an astronomical increase in share

[Mr. Steinberg]

values over the past few years has occurred simply because Railtrack was completely undervalued. It certainly has not improved because of its track record.

Mr. David Davis: Ouch!

Mr. Steinberg: It is also claimed that, because Railtrack was sold in such a hurry, the interim regulation scheme was also overgenerous and excessively costly to the taxpayer. As a consequence, total rail subsidies have doubled compared with the aid received by British Rail, which originally ran the system. To quote from the NAO report, the value of shares also increased because the market realised that Railtrack could

"secure significant efficiencies on operating costs, particularly infrastructure maintenance expenditure and investment".

In other words, Railtrack was highly valued because people knew that it would make cuts. We have seen what happens when such cuts are made. The taxpayer was ripped off by the sale of Railtrack and the traveller now receives a declining service from it. I do not want to go into its record, but it is clear to everybody that there is a great deal of worry in respect of safety on the railways, basically because of lack of investment.

Who has made a lot of money out of these privatisations? Certainly not the taxpayer. Investors have achieved huge returns on their investment, all at the expense of the British taxpayer. At the time, Railtrack was also given, on a plate, billions of pounds of investment land, which was hardly noticed—the measure just went through and people did not realise what had happened. To my mind, the two privatisations, which the PAC studied in great detail, were done for no reason other than dogma. Both sales were bad for the taxpayer. They cost the Government billions of pounds and have created severe problems for the future. They have given little benefit to the taxpayer, if any, but investors have done very nicely, thank you.

The previous Government's declared policy was to deepen and widen share ownership, but the sale of Railtrack in particular was aimed at deepening rather than widening. The emphasis of that sale was on those who already owned shares adding Railtrack to their portfolio, rather than trying to persuade people who had never owned shares to buy them. The policy was to sell at all costs—sell and be damned—and that allowed large institutions to get their hands on the huge Railtrack profits.

In both privatisations, the PAC was concerned that the Department chose not to stagger the sale of shares. In both privatisations, believe it or not, the cost of consultants and advisers was absolutely astronomical. The obsession with privatising nuclear power generation meant that management and financial consultants alone cost £25 million. In the privatisation of Railtrack, consultants and advisers cost £39 million. Astronomical sums were paid for advice that, on reflection, appears to have been badly wrong and has contributed to a bill for the taxpayers amounting to millions of pounds.

We all have our opinions about the consequences of the two privatisations and why they were carried out in such a way, but I do not think that anybody who read the reports and listened to the evidence could argue against the idea that, in both cases, the taxpayer was ripped off. I am delighted that the Treasury accepts the PAC recommendations that, in any future sales, Departments should consider negotiating a clawback on unanticipated increases in the profitability of companies and that, in any future flotation, Departments should start from a presumption in favour of a phased sale. If that is not possible, there should be safeguards to protect the taxpayers' interests. Those recommendations are very sensible. What a pity that they were not in place when Railtrack and British Energy were privatised. If they had been, vast sums of money that could have been used for other purposes would not have been squandered.

4.9 pm

Mr. Charles Wardle (Bexhill and Battle): I shall not, on this occasion, follow the hon. Member for City of Durham (Mr. Steinberg) and make overtly political comments. I agree with the right hon. Member for Swansea, West (Mr. Williams) that the purpose of the Public Accounts Committee is to measure and assess performance by officials rather than to look at policy, as other Select Committees do.

After making that unkind jibe, I should add that it is a pleasure otherwise to follow the hon. Member for City of Durham, who has in Committee a deceptively avuncular style that lulls witnesses into complacency when he goes for the jugular, as he is able to do very effectively.

The hon. Gentleman was also responsible for the one bright moment on the Committee's recent trip to Brussels and Luxembourg. After a particularly tedious—not to say frustrating, even depressing—day of evidence from people who did not seem to understand what financial controls really meant in the northern European sense, and when the entire Committee was feeling down, the hon. Gentleman announced that it was his birthday. There were, therefore, some very vigorous Euro-celebrations, which I am pleased to tell the House were paid for not by the European Commission, but by Committee members.

I offer an advance apology to you, Mr. Deputy Speaker, to the Minister and to the House for planning not to be in the Chamber for the debate's conclusion. I mean no discourtesy, but well before I knew the date of today's debate, I had made arrangements to attend a function in my constituency. I wrote to Madam Speaker to explain my predicament.

I follow my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) and other hon. Members who have commended the National Audit Office and our excellent Committee Clerk on the quality of the material that provides the basis of the Committee's evidence taking and subsequent reports. I am sure that all hon. Members will agree that the thoroughness and incisiveness of the case load we receive is exemplary.

Before turning to deal with a few specific reports, I repeat the calls that have been rehearsed today, and which I and other hon. Members made last year, for an extension of the Comptroller and Auditor General's remit to give him access—for audit purposes and to measure value-for-money performance—to spheres of public expenditure that he currently cannot examine. Despite the Committee's recommendations in the past year, not enough progress on that front seems yet to have been achieved.

I know that there will be an opportunity to raise those issues when the Government's Resources and Accounts Bill is considered on Second Reading, but I add my voice

now to those pointing out that the CAG should have access to the books of private contractors and voluntary boards when taxpayers' money is spent. He should have access to the accounts of non-departmental public bodies and to the books of limited companies established by central Government bodies, as well as to bodies established to participate in public-private partnership business.

Before dealing with specific reports, I should also like to praise the work done by the National Audit Office, and within the Treasury itself, to enable Whitehall to switch to resource accounting. I have said on many other occasions that resource accounting will provide a framework of management controls that will help to modernise Whitehall and empower not only the middle management ranks of the civil service, but those in senior positions. I wish every Department well with that important challenge.

I should like briefly to draw the House's attention to four reports, the first of which is the sixteenth, "National Savings: Developments in Financial Reporting". Two and a half years ago, the Committee reported that the number and size of discrepancies and unreconciled balances in the National Savings accounting systems was unacceptable, and pointed to a failure to apply basic accounting principles and to a serious risk of fraud. It was clear that the past management of National Savings had very little sense of urgency about financial controls, perhaps because there was always the comfortable, but ultimately irresponsible, assumption that the Government of the day would stand as guarantor for investors if anything went wrong.

In December 1998, the National Savings agency entered into an agreement with Siemens Business Services, which led a year later to all the operations and administration of National Savings being subcontracted to Siemens. There were two dangers in that arrangement.

First, Siemens's track record elsewhere in the public sector has been less than satisfactory. One has only to think of the costly mess at the immigration and nationality directorate to appreciate that Siemens can get things badly wrong.

Secondly, I believe that the decision to transfer the entire administrative organisation out of an agency such as National Savings to a subcontractor, simply because the agency lacks management expertise and information technology skills of its own, is not a sensible, long-term public service solution. It does not create a situation in which the public may participate through share ownership, but merely places a hopeful bet on an outside partner, with no real means of control for the agency if performance does not come up to standard.

It would be better for the agency to set about recruiting and building its own in-house management and IT capabilities. That would leave open for later the option for the agency to be privatised or not, according to policy and demand.

The National Savings agency was 11 months late with its undertaking to complete the investigation into its financial accounting systems. Subsequently, it claimed that the net discrepancy found was just £4.6 million, which management considered insignificant against the total funds under management of £63 billion. However, the net figure of £4.6 million reflected positive and negative adjustments of £40 million and £44 million respectively. Therefore, the unaccounted errors came to £84 million. Small savers are entitled to better custodianship than that.

The twentieth report was entitled "Home Office: Handgun Surrender and Compensation". In 1997-98, firearms legislation—which I felt at the time, and still feel, was rushed, ill considered, intrusive and likely to have little of the desired effect—led to thousands of responsible and decent people, who either collected firearms or were members of target-shooting clubs, having to surrender to police a total of 162,000 handguns. The legislation did not touch the millions of weapons still held illegally by villains and lawbreakers that are still being brought into the United Kingdom undetected.

In the rush for action, the Home Office had not made an accurate assessment of the number of guns to be handed in, or of the consequent drain on police time. The Home Office also did not have in place an efficient administrative system to compensate owners promptly for handguns. Many owners had to wait more than a year to be paid, and it took the Home Office 15 months of confusion to reach the conclusion that more staff were needed to process claims. The Home Office said at the outset that it would handle 4,000 claims a week, but ultimately, it dealt with 400 claims a week. The innocent collectors and shooters—who suddenly found that, through no fault of theirs, Parliament had banned their hitherto lawful hobbies—deserved better treatment.

The twenty-fifth report, "MAFF: Arable Area Payments Scheme", is an example of what I call the Brussels effect on government. The scheme was introduced in 1983 and is the largest of the common agricultural policy schemes administered by MAFF, paying £1.1 billion per annum to British farmers.

What is worrying is that, over the five years 1993 to 1998, the cost of running the scheme grew by £3 million, which is a 21 per cent. increase. Rather than achieving greater efficiency over the five years of experience, the opposite occurred. MAFF gives as a reason for that the constant stream of rule changes emanating from Brussels.

Bearing in mind what the Committee saw on our visit to Brussels—an utterly cavalier attitude to financial controls and an obsession with bureaucracy—the waste of time and effort and the escalating cost to MAFF are unsurprising, but nevertheless deplorable: and all for what purpose? MAFF says that, in 1996-97, it found 2,700 irregularities that led to administrative penalties, but in the United Kingdom, in five years, there have been only seven prosecutions for fraud on the scheme.

Combating fraud was high on the agenda for the Committee's visit, earlier this year, to Brussels and Luxembourg. The twenty-ninth report, "Financial Management and Control in the European Union", is really misnamed, as it might more accurately have been entitled, "The lack of financial management and control in the European Union". I agreed to the report, but should say that it could justifiably have been worded even more strongly.

We concluded that there is a lack of clarity about who is accountable to whom, and for what. We said that there is a cultural emphasis on devising policy without regard to the consequences. We talked about dated staffing codes, inadequate financial reporting and ineffective arrangements for combating fraud. We might equally have underlined the arrogance, the complacency and the

[Mr. Charles Wardle]

introverted preoccupation with political jockeying and horse-trading for positions of privilege within the Commission's bureaucracy. There was no real regard for financial control or for the taxpayers' interests in Brussels.

If that is the climate in which an overarching European federal power is being constructed, with a single currency to be followed by a centralised European tax-raising system, I want no part of it, because it will not serve the best interests of this country.

4.20 pm

Maria Eagle (Liverpool, Garston): I am grateful for the opportunity to speak in this debate. I wish to start by reiterating the thanks that my right hon. Friend the Member for Swansea, West (Mr. Williams) and the Committee Chairman, the right hon. Member for Haltemprice and Howden (Mr. Davis), gave in respect of the National Audit Office and the Comptroller and Auditor General. While my remarks may be briefer, they are meant no less sincerely. We could not do the job that we do without the NAO and the hard work of its 750 staff.

We could not begin to deal with the NAO papers and two hearings a week without the effort and work of the Committee Clerk, Mr. Ken Brown, and his staff. I wish to place on record my thanks to them. It is often the mundane things, such as having the right report in one's hand, that are an essential prerequisite to scrutiny in this House. One cannot scrutinise the Executive without the right report.

I speak with a tinge of sadness in this, my third such debate as a member of the Public Accounts Committee. As the ever-sharp eyes of the Committee Chairman spotted, the Order Paper shows that this is to be my last day on the Committee, as I am to be discharged as soon as the debate ends. The Committee of Selection works in mysterious and wonderful ways, and I hope that this decision was not an early verdict on my speech.

I will miss being a member of the Committee. It has been a remarkable introduction for a new Member of Parliament to one of the core functions of Back Benchers, and all Members of Parliament—to scrutinise the Executive. I do not mean just the Government or politicians, but Whitehall, as the PAC scrutinises Whitehall more fully than the politicians.

Those who are present today will have seen us lean back in our seats at the mention of politics. That is odd for politicians. However, an essential prerequisite of the effectiveness of the Committee is that party politics and arguments over policy are taken out of its considerations. It is difficult at times to ignore the political situation, and it is difficult for a politician to resist the temptation to resort to looking at a matter in one particular way. However, the Committee is there to scrutinise the Executive, and primarily the accountability of Whitehall and the accounting officers.

The NAO and the Committee have a tough year in front of them, and that is another reason why I am sad to be leaving the Committee. It feels like I am abandoning the Committee at the time of its highest work load—although I am sure that my replacement will be as assiduous and sharp as I could ever have been.

The Committee and the NAO has had to deal this year with the advent of resource accounting, and with issues such as devolution which have marked a huge change in the way in which the Committee works, and these changes will continue. It is easy to say "resource accounting and budgeting" but it is not so easy to do. The transition is likely to be more long standing and a little more painful than it might seem.

It will be difficult for the Committee because while resource accounting and budgeting will make budgets more transparent, it will not make understanding them any easier. It will be more difficult for members of the Committee who do not have accountancy training—that is just about all of them—to follow matters with their usual and expected clarity.

The heavy work load of the Committee teaches Members to organise themselves properly, to pick up on the important points and to leave the less important points to one side. My right hon. Friend the Member for Swansea, West made it clear that there was an enormous task of scrutiny in front of the Committee, and it is essential that Members are able to home in on the important points. The NAO does that on behalf of the Committee, but the Committee must take that further—particularly in respect of value-for-money reports. With only 15 minutes of questions per hearing, every Committee member must carefully consider the points that they wish to raise.

My overwhelming impression of the work of the Committee is that it is resisted by Whitehall, although not by politicians. In this, I am speaking about all Governments—not particularly this one or the previous one. However, Whitehall and the senior accounting officers, who are "the scrutinised" in this sense, do not like the scrutiny and seek ways of minimising it. In my first year on the Committee, we had an assurance, via a Treasury minute, that a convention called "not for NAO eyes" would be removed.

Another perennial issue is access. The Committee has constantly asked for extended access at every legislative opportunity, but Whitehall's response has often been that the Committee does not need it. We have made progress, but perhaps what the Comptroller and Auditor General really needs is a financial right to roam Bill. It seems simple to me—if it is taxpayers' money, the Comptroller and Auditor General should have access to it. The difficulty is in putting that into effect. In Treasury minutes, Departments produce reasons why that cannot be done, rather than ways of achieving it. I cannot see a problem with allowing the Comptroller and Auditor General access to taxpayers' money—although more staff may be needed.

Non-politicians in particular do not like scrutiny, although politicians are used to it. My right hon. Friend the Member for Swansea, West referred to the number of times that the accounting officer responsible for the stewardship of the money we are concerned with is not the person who comes before us. It is remarkable how often accounting officers retire, are promoted or disappear one way or another just before a hearing of the Public Accounts Committee.

I do not wish to delude myself, and while the PAC is effective, it is not 100 per cent. effective. It does not achieve 100 per cent. perfect scrutiny, as I have said before in these debates. However, I am almost persuaded to reconsider my view of the effectiveness of the Committee when I see how regularly accounting officers

who are supposed to appear before it choose to disappear somewhere. Perhaps we are a little more effective than I thought.

The Government should give some thought to the issue of disappearing accounting officers. I would enjoy seeing the figures of my right hon. Friend the Member for Swansea, West for the previous Parliament and comparing them with figures for this one to see how regularly accounting officers move just before Committee hearings.

The right hon. Member for Haltemprice and Howden referred to the way in which accounting officers complain about the evidence sessions and the Committee's confrontational style. I say that they should stop whingeing. They have all year to do their jobs, but I have 15 minutes to do mine while they are front of me. If that leads to some confrontational questioning, I am sorry, but accounting officers are often responsible for billions of pounds of expenditure. They have to realise that they are accountable to the Committee and should stop complaining about how it chooses to do its job in a restricted amount of time.

Whitehall does not always respond positively, and two reports in the past year show how responses from the Executive can differ. The first is the twenty-fourth report on the flotation of Railtrack. I do not intend to go into huge detail about the political background of that flotation, except to say that the then Government's policy was to privatise. Legislation had been enacted to enable the privatisation to take place and the first of the private companies—of the 100 or so formed from what had been British Rail—had been formed in January 1996. Privatisation had finished by March 1997, so that was a speedy timetable.

In other reports, the Committee has considered other aspects of rail privatisation, including the rolling stock operating companies, the train operating companies and the freight operating companies, and it has an overall picture of the transfer of the entire business to the private sector. The Railtrack privatisation was effected speedily, for whatever reason. The Committee suggested that the failure to sell the shares in tranches led to a potentially massive undervaluing of the business. The Committee also concluded that the timing of the flotation was designed to maintain the momentum of the entire privatisation process in the rail industry, and that that appeared to take precedence over bringing in the maximum amount of money. What is not disputed is that the shares were sold for £3.90 each, or for a total of £1.9 billion, and when the Committee took evidence on the flotation of Railtrack the shares were worth £15.51 each, a total of £7.8 billion. That is a measure of the potential undervaluing of the company.

The Treasury minute that forms the departmental response to the report makes interesting reading. Committee members will know, although others may not, that the Committee gives its conclusion and the Department responds in what is called a Treasury minute. The Committee concluded that, in the case of Railtrack, value was not obtained, but the Treasury minute merely noted the Committee's description of its view of the sale. It may be that 92 per cent. of the Committee's recommendations are accepted, but some are not, and in this case there was clear departmental resistance to the Committee's analysis.

The Committee also concluded that the timing of the sale was more about the need to maintain momentum in the privatisation policy than it was to ensure value for money. The Department confirmed that the timing of the sale was influenced by the need to maintain momentum, but the Treasury minute then attempts to justify that and claims that it was an objective of policy. It makes no attempt to deal with the point that value for money was not obtained.

In Railtrack's case, as in other cases, Committee members trod carefully in the report, because the issue was politically controversial at the time. The Government's policy was diametrically opposed to that of the Opposition, but the Government speeded it through to complete it before the general election. Whatever we may think of that, it is clear that, some time later, the Department is still resisting, not accepting, the Committee's points. There is nothing new about that and, indeed, last year—in our report on procurement in the Ministry of Defence—we made recommendations that had first been made in Gladstone's time and the Ministry had still to deal with the issues. It is not unusual for Departments to accept recommendations but to fail to change the way in which they work.

My second example is the report into the further education sector and alleged irregularities at Halton college, which was mentioned by the right hon. Member for Haltemprice and Howden. The FE sector is responsible for spending some £5.6 billion of public money, and since 1993-94 the Committee has produced a series of reports that have been seriously critical of problems with governance and propriety in the sector, which have led to notorious incidents at, among others, Halton college and Bilston college. No doubt, others with similar problems remain to be investigated.

Halton is one of 435 FE colleges, so if problems are endemic in the system, that is a matter for great public concern. The report into its problems concluded that the college claimed almost £14 million more in grant than it was entitled to and 114 staff lost their jobs as a direct result of the financial problems caused by having to repay that money. That led to a further £1.8 million in redundancy costs and a serious deficit in the educational courses that the college was supposed to be providing. In addition, obvious problems were caused by the fact that the principal and deputy principal spent 12 months of their five-year reign abroad on jollies—not to put too fine a point on it—at a direct cost of £210,000 and an incalculable cost in their credibility in the college.

The irregularities must have been common knowledge in the college a long time before they were brought to the attention of the National Audit Office by a whistleblower.

Eventually, the principal and deputy principal were suspended on full pay, and finally they left—but not before drawing an extra £200,000 in salary before the matter was resolved. I deplore the fact that the college misled the Committee about whether legal costs had been paid to those two. Understandably, they had sought to delay their departure from the college because they were still drawing their full salaries—but to expect the college to pay the legal costs of creating the delay beggars belief. The Committee was originally told that the college had not paid, but later it emerged that it had.

All the governors who allowed that to happen have now resigned, but the college, and the local area, have been left with a serious problem. It is difficult to see how such

[Maria Eagle]

poor governance was not picked up by the Further Education Funding Council. Moreover, at the time of some of the worst excesses, the college's internal and external auditing, which was carried out by the same private sector firm, Deloitte & Touche, did not detect the problems and gave the college a clean bill of health. The FEFC's procedures for picking up problems did not reveal what was going on, either. That shows poor performance by the funding council, which if repeated elsewhere would cause considerable problems wherever there was a governance issue.

I shall now deal with some of the Treasury minutes that have been sent in response to the report. The Committee was struck by a reference in the report to the fact that the Department was willing to act speedily to put the problems right. About time, one might say, in view of the number of FE colleges with problems.

The Treasury minutes in response to all the conclusions start with sentences such as:

"The Department for Education and Employment . . . Halton College . . . and the Further Education Funding Council . . . accept the conclusion",

"The Department, the Funding Council and the College accept the conclusion",

and

"The Department welcomes the Committee's conclusion".

That is in marked contrast with the responses in the same document from the Department of the Environment, Transport and the Regions concerning the flotation of Railtrack.

Two days after our evidence session, the Department for Education and Employment was already issuing new guidelines to the Further Education Funding Council to put right some of the problems, and it has now decided to legislate to abolish the funding council and change the way in which the sector is governed and its governance overseen. That, too, is in marked contrast to the reaction of DETR in connection with Railtrack.

That illustrates Whitehall culture. The Public Accounts Committee teaches all its members about Whitehall Departments. One can soon spot which are profligate, which can and cannot control their expenditure, which do not even try to control it, and which are quite good at doing so. One would not do this publicly, but when individual accounting officers appear before the Committee, one can also make judgments about them, and about their effectiveness and their commitment to carrying out their duties.

That is one of the fascinating things about being a member of that Committee: one can learn a lot about how Government works. It has been an interesting experience, and I apologise to my fellow members of the Committee for giving up on them at this stage. I may be back some time; I do not know. I wish them well for the coming year, when they will be busy with legislation passing through the House, with getting to grips with resource accounting and with all the issues of access that every Member has mentioned.

The FEFC example shows that politicians can listen, and can kick Whitehall until it acts. Whitehall must understand Parliament a little better; Parliament is all about accountability, and politicians are here to ensure that there is accountability. They themselves are accountable to the electorate, and I think that accounting officers need to realise the meaning of that word.

4.44 pm

Mr. Richard Page (South-West Hertfordshire): I begin by expressing my regret at the departure from the Public Accounts Committee of the hon. Member for Liverpool, Garston (Maria Eagle). Her notional 15 minutes have shown why she will be sadly missed, and we wish her every success in the greener pastures to which she is migrating.

I have had the privilege of being on the PAC since 1987, with three years off, either for good behaviour or for bad; I am not sure which. I am firmly of the opinion that it is the most important and influential of the Select Committees. It achieves that because we have the invaluable support of Sir John Bourn and his staff.

In addition, we have reports that are agreed with the accounting officer, which enables us to cross-examine the witnesses without the constant party political bickering back and forth that characterises so much of our general parliamentary activity. That gives the Committee strength.

The party political divide is crossed on the Committee, and hon. Members on both sides of it clearly understand the concept of accountability and the need for correct financial management. That is fundamental to our work, and I am worried that the Bill that will come up before us in a week or two—the Government Resources and Accounts Bill—may weaken the work of the National Audit Office and the PAC. I hope to touch on that idea later.

First, however, I come back to the idea of crossing the political divide. It is one of the Committee's endearing virtues that we have succeeded, without recourse to a vote, in reaching agreed conclusions on every report on every subject since I have been a member of it. That achievement is greatly to the credit of my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), the present Chairman, and his predecessor, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). I praise both of them, as I do in my speech on this subject every year, so that I might get called early for the taking of evidence—but so far that has not worked, and next year I may have to embark on a different tack if it does not work this year either.

I strongly supported the Committee's initiative earlier this year in arranging two "awaydays" to examine the arrangements for controlling European Union finances in Brussels, Luxembourg and Strasbourg. Unfortunately, as our Chairman and others have said, we found serious and unacceptable problems in the EU's institutions. There was a definite lack of clarity about who was accountable for spending, as well as an unwillingness to consider how policies should be implemented once they had been devised.

Almost all the financial auditing and reporting procedures were inadequate, and the measures available to combat fraud were conspicuous by their absence. It is extraordinary that members of the European Commission should be reluctant to accept any personal responsibility for the Commission's actions and for those of their own directorates. That is a little like a company chief executive not wanting to take responsibility for the actions of his staff.

We need to know whether the new commissioners, headed by Mr. Prodi, and the individual directors general, will be made directly accountable, inside the Commission and to the European Parliament, for their responsibilities. We must demand to know the progress that has been made towards clarifying the duties of the Commission and member states in the operation of some 1,500 structural fund programmes.

It is equally worrying that the Commission has been able to develop policies without considering fully the risks and the resource implications involved, and the financial controls needed to ensure that those policies succeed. At present, Commission programmes are like fire-and-forget missiles: they are devised and fired, but we have no idea where they will end up, or what their cost and efficiency will be.

The European Union spends about £54 billion a year, but is run like one of our ancient universities, where the dons leave the bursars to carry out the schemes that they have approved. It is no wonder that the number of small schemes supported by the Commission has grown so rapidly, nor that there have been so many instances of error and fraud.

The House debated these matters earlier this year, and I will resist the temptation to repeat what was said then, even though it well bears repetition. So far, the Government's response has been inadequate. They need to take a much tougher line to ensure that Britain's public money is not wasted in the Commission.

I could spend until 7 o'clock, when the plug will be pulled on this debate, listing all the schemes that have gone wrong, but I shall limit myself to a couple of examples. They have emerged thanks to the persistent efforts of a whistleblower, who tried for years to get matters put right through official channels. Eventually, a committee of independent experts was called in to investigate.

In its March report, that committee states that it found that one small item in the humanitarian programme had led to four fictitious contracts being issued, to a total value of £1.6 million. Part of that sum had been spent on employing 11 staff to implement the programme. Similarly, a programme to support tourism was begun in 1989. By last spring, 76 organisations or individuals had been the subject of criminal prosecutions or inquiries in the European Union. The head of the supervising unit was found to be engaged in "unauthorised external activities" that gave rise to "embezzlement, corruption and favouritism."

Members of the Public Accounts Committee will know what a sacrifice it is for me to restrict myself to two such cases, and to resist going into detail about the cochineal beetle scam, which is a story in itself.

Perhaps, given such examples, we should not be surprised that the former Commissioners and directors general did not want to take personal responsibility for such matters. As has been mentioned already, that neglect was made worse by the fact that internal promotions inside the Commission were strongly influenced by attempts to maintain a balance between member state nationals. People have been promoted not according to ability and skill, but according to their distribution on a nationalist basis.

That is not the way to ensure that taxpayers' money is correctly controlled and spent. The PAC report earlier this year showed that the opportunities for error and fraud had increased. There is no doubt that successive European Commissions have failed to respond adequately to the concerns expressed by the European Court of Auditors and by the European Parliament's Committee on Budgetary Control.

For all practical purposes, until now no Commissioner or member of staff—however incompetent or useless they may be—has been liable for dismissal. I am prepared to say that Brussels needs a strong infusion of the principles and practices governing accountability for public funds that operate in the United Kingdom. Everything that I have heard, in April and since, reinforces that contention.

To put the matter bluntly, the European Parliament must grasp the nettle and insist on the introduction of proper accountability. We should let Sir John Bourn examine the Commission's activities and say what its members should be doing. At the same time, the European Parliament should set up a PAC of its own, with the authority and power to call directors general before it, so that they can be held responsible for the money that they dish out to projects so casually.

I shall not continue in this vein except to say that the Committee's Chairman has been delicate and gentle in his treatment of the matter, and I hope that I can stiffen his resolve to be even firmer in the future to ensure that Europe spends our taxpayers' money in the most effective and efficient fashion.

My comments should not blind us to our responsibility to make sure that we note the continual challenges facing Departments and agencies. One recurring theme, which the Chairman touched on when summing up the Committee's activities this year, is the failure of public bodies to get right their provision of new information technology programmes. Time and again, we see a catalogue of doom and disaster. I shall not repeat the comments about the fiasco of the replacement system for national insurance contributions—I imagine from my postbag that the show still has some way to run.

The arrangements for privately held handguns, referred to by my hon. Friend the Member for Bexhill and Battle (Mr. Wardle), gave another opportunity for confusion and delay. A number of my constituents waited much longer than a year for compensation. Their letters and queries did not receive the effective and efficient response expected of a Department. As my hon. Friend said, the Department thought that it could handle 4,000 cases a week, but the figure eventually reduced to 415 a week, adding to my constituents' confusion and frustrations.

The lessons of this and other problems in designing and operating new technology do not appear to have been learned elsewhere. I am always conscious, when speaking this late in a debate, that some examples have already been given. However, I should like to give the example of the immigration and nationality directorate and the Home Office's lack of flexibility. The plan to reduce staff numbers as a new computer system started operating was not realistic because, as we know, the system did not work properly, and it took longer and longer to process applications. However, the reduction of staff proceeded apace, leading to a double whammy. The computer was not working well, but, even so, staff numbers were being reduced. The number of applicants waiting ballooned until reality eventually dawned. The directorate had to reverse its staff reduction policy and take on people to try to reduce the number of people waiting for their applications to be considered.

[Mr. Richard Page]

I would be very surprised if any hon. Member has not been touched, through a constituency case, by that delay. There are striking parallels with the more recent problems in the Passport Agency. I must not pre-empt the PAC's findings, but there is no doubt that some passport offices came very close to a meltdown. I know for a fact that one of my hon. Friends and his secretary had to deal with some 300 cases during that difficult period. I suppose that historians of trivia will have a field day, given the number of umbrellas that the Passport Agency had to buy to keep the long and frustrated queue dry in wet weather.

The Financial Secretary to the Treasury would be wise to bear in mind the comments of our Chairman on aspects of the Government Resources and Accounts Bill. I favour resource accounting, which will bring us into the real world by paralleling what is already accepted practice in the private sector. However, I am not surprised that there are problems. The National Audit Office was shown a first draft of the Bill on 22 October. To hit such a responsible and respected organisation with a Bill less than 30 days before its presentation and First Reading is not good enough.

I am worried by the suggestion that the NAO will not be clearly accountable to Parliament. The Bill is ambivalent and may be interpreted as meaning that the NAO could report to the Treasury. I hope that that interpretation is wrong. If not, that would be the same as allowing the auditors of a private company to report to the directors, not the shareholders. That would undermine the work of the NAO and the PAC. The Bill gives us an opportunity to improve our accountancy practices and operations. However, I fear that it may have the opposite effect.

The PAC must never lose sight of its responsibility to learn from the problems that arise in our Departments and agencies. We must try to apply the lessons across the board. That is our duty to the country and to the taxpayer.

5.2 pm

Mr. Barry Gardiner (Brent, North): I now know how those people feel who shake one's hand at parties but who, when asked what they do for a living, try quickly to change the subject. When, gradually, one steers the conversation back round to insisting on asking what they do for a living, they blanch, then say, in a most apologetic manner, as if they are killing off any possibility of an interesting conversation, "I am an accountant".

Many people assume that members of the Public Accounts Committee are a similarly boring, number-crunching group of people, who pore over sets of statistics in a dull, if worthy, way. Nothing, of course, could be further from the truth. As a new member of the Committee, I am the other type of person avoided at all costs at parties—the unashamed enthusiast. I thank the right hon. Member for Haltemprice and Howden (Mr. Davis), the Committee Chairman, and my hon. Friend the Member for Liverpool, Garston (Maria Eagle), who have given exceedingly good advice and helped me to settle quickly into the life of the Committee.

I am sorry that my hon. Friend will leave the Committee soon, but few will be surprised by her promotion, in which I wish her every success. Her unique and acerbic style will be missed by everyone except those unfortunate enough to have come before the PAC as ill-briefed or incompetent witnesses. To those people, she showed little mercy, and we shall try to maintain her high standards.

The PAC reviews the whole range of Government activity. We have investigated matters this year from alpha to omega, from the arable area payments schemes to the millennium bug. Our intention is always the same—to assess whether the Government are operating at maximum efficiency and obtaining good value for the money that they spend.

I am aware that the Committee has been accused of laying more emphasis on apportioning blame where things have gone wrong than on making constructive proposals. I have not found that to be true. Certainly, the Committee can be harsh on witnesses whom it believes have failed in some respect. However, I have always found that the focus of the Committee is to learn the lessons of why things went wrong and to ensure that the same problems do not recur. Its concern is always for those who have suffered by the failure under review. The principle is that, by holding people to account, the Committee decokes the engines of Government.

I shall cite one clear example of the human consequences of a failure that was investigated by the PAC this year. The national health service's cervical screening programme was first established as a national programme in 1988. It aims to reduce the figure of 3,500 women who develop invasive cervical cancer each year and the 1,300 who die as a result.

The Comptroller and Auditor General prepared a report for the Committee on the screening programme. He reported that early diagnosis and treatment in colposcopy clinics had prevented up to 3,900 invasive cancers and resulted in morbidity rates falling by 7 per cent. a year. However, there were notable breakdowns in the screening programme—most notably at the Kent and Canterbury hospital.

The Committee identified significant quality failings at every stage of the cervical screening programme, affecting thousands of women every year. The Committee found that 13 health authorities had not yet achieved the target of screening 80 per cent. of women between the ages of 25 and 64 within a five-year period. That is a disgrace when we know that reaching that five-year target would prevent 84 per cent. of cervical cancers.

The Committee was extremely forceful in stating that lives were being put at risk by that failure. Brent and Harrow—my own authority—was one of the 13 health authorities that was failing in that way. I was not a member of the Committee when it produced its report, but that report alerted me to the problems that women in my constituency faced. Why should they be exposed to that risk and why should one in 12 have to endure the terrible stress and worry of a repeat smear simply because the first was not taken properly?

Brent is one of the most ethnically diverse boroughs in the country. The Committee pointed out that women from ethnic minorities are under-screened and that adequate data are unavailable for many ethnic groups. Armed with the Public Accounts Committee report, I was able immediately to contact my local health authority and demand action to improve the screening available to local women.

I was not alone. Within three weeks of the report's publication, the then Secretary of State for Health had met health executives from my area and a plan of action was set in place. Recommendations contained in the report about incentivisation of local general practitioners and targets for implementation were set. More recently, the Government have injected a further £23 million into cancer prevention and palliative care.

My hon. Friend the Minister for Public Health has now been given responsibility for implementing the Government's policy for tackling cancer and for effective screening. I am delighted to be able to tell the House that the health authority in my area has now reached a figure of 78 per cent. compared with the 80 per cent. target—an improvement that I and all the women in my constituency welcome.

However, my purpose is not to praise the Government for their response, nor to pursue a constituency matter, but to show how vitally connected is the work of the PAC to the lives of our citizens. The work of the PAC is not simply to save money, although its Chairman has set out how successful it has been in doing so. The Committee's work is not just about bringing people to book for their mistakes, although the reference made by my right hon. Friend the Member for Swansea, West (Mr. Williams) to backaches that lead to early retirement suggests that the Committee is also effective in that scrutiny role. Above all, the PAC's work is to improve the lives of our citizens by improving the service that they receive from Government. When I became a Member of Parliament, it was my belief that that was the job of all Members—I have not changed my view. That is why I consider it to be such an honour to serve on the PAC.

I am delighted that my hon. Friend the Financial Secretary to the Treasury is sitting on the Treasury Bench. I welcome him to his new role as Minister concerned with the PAC, because I know him to be someone of absolute integrity and clear principles. The pleas that he has heard this afternoon, from all those Committee members who have spoken, about the vital importance of allowing the Comptroller and Auditor General complete and unfettered access, and of making him clearly accountable to Parliament, and not to Whitehall, will not have gone unnoticed. When he responds to the debate, I urge him to do so without reading the frantic scribblings of the civil servants in the box, but basing his comments on what he knows to be right, and on what he knows the principles of the Public Accounts Committee to be.

5.12 pm

Mr. Andrew Stunell (Hazel Grove): I speak very much as an outsider. I am not a member of the Public Accounts Committee—unlike my hon. Friend the Member for Newbury (Mr. Rendel), I have not just joined the Committee, and unlike the hon. Member for Liverpool, Garston (Maria Eagle), I have not just left it—I simply observe what it does. If imposed on Departments, its record of productivity would be most welcome. To produce 38 reports as the result of a year's activity is a great tribute to the Committee in general and to its Chairman, the right hon. Member for Haltemprice and Howden (Mr. Davis), in particular.

I was impressed by the comments of the hon. Member for South-West Hertfordshire (Mr. Page) on the way that political debate was replaced by consensus—or more, perhaps, that a pack of politicians was collectively hunting down inefficiency and bureaucracy not in competition, but in concert. That, too, is a tribute to the Committee's work.

I have a few brief points—especially on the Committee's twelfth report—but I am moved to comment on European Union financial control by the words of the hon. Member for South–West Hertfordshire. I realised that there were difficulties, but he impressed on me how bad they were when he said that they were as bad as those in a typical British university. Had I realised that, I might have spoken primarily on that subject.

I am a member of the Select Committee on Procedure, and I remind the House that we produced a detailed report on resource accounting and its implementation. We took evidence from a wide range of individuals and organisations, including the Comptroller and Auditor General and the Treasury. I do not think that it is a breach of privilege if I point out that, in drawing up its report, the Committee was nearly minded to recommend that the introduction of resource accounting should be delayed for a year, because we were worried whether there was sufficient resilience in the financial control systems—especially in individual Departments—to undertake the transfer and changeover process on a short time scale. Bearing in mind that things have not changed much for 100 years or so, the question arose whether it would be possible to make that change in the proposed time scale. It is interesting to read what the PAC has said about that and the concerns that it has expressed. I hope that the Minister will give not a bland reply, but chapter and verse about the implementation plans. The Government Resources and Accounts Bill will be debated in the House next week, and it is very much incumbent on the Treasury and Treasury Ministers to persuade the House that the necessary safeguards exist.

I speak as a strong supporter of the introduction of resource accounting. For too long, public accounts and public budgeting have been distorted by outdated procedures, but various splendid new systems of IT have been introduced to great hopes and a loud fanfare, only to crash flat on their face. We cannot afford that to be the case with the resource accounting system.

The second report on which I want to comment briefly is the twentieth report, which relates to the handgun compensation scheme. I do so as a constituency Member who is still in detailed dialogue and correspondence with Ministers about the scheme's failure to work in a timely and adequate way. There is every sign that those who administer the scheme have only the faintest and most tenuous idea of what is involved, and of the technologies and the implications. Many perverse and contradictory decisions have been taken. To those who are very much part of the shooting community and who know their art backwards, that is a constant cause of frustration, and such technically unsustainable decisions reflect badly on the Government and the process of government.

Sir Robert Smith (West Aberdeenshire and Kincardine): Does my hon. Friend recognise that the frustration is made even greater by the fact that those people were law-abiding citizens, causing no threat, and that they therefore feel that, if there is to be compensation, it should be made efficiently and effectively?

Mr. Stunell: Yes, I agree with my hon. Friend.

[Mr. Stunell]

I do not wish to detain the House with the complexities of different types of equipment and paraphernalia—shooters in my constituency have been quick to brief me on that. In short, those who administer the compensation scheme obviously have only the foggiest idea of the differences between, for example, various types of ammunition press. I agree with my hon. Friend that the scheme has not shown the Government in a good light.

I welcome the Committee's twelfth report, entitled "The Office of Electricity Regulation: Improving Energy Efficiency Financed by a Charge on Customers". I know that the Financial Secretary, who, in a previous existence, took a close interest in energy efficiency and fuel poverty issues, will take an interest in that report. It is a good report, which identifies some relevant issues, but I felt that it was tentative in suggesting appropriate solutions. Therefore I shall highlight those issues and say what I believe the way ahead might be. I should be interested to hear the Minister's response.

The twelfth report says that there is some contradiction in what the regulator is required to do. On one hand, he is required to promote the efficient use of electricity; on the other, there is an obligation to deal with fuel poverty. About 8 million households in this country are the victims of fuel poverty and spend an excessive amount of their disposable income simply on the job of keeping warm. The Government have established and adopted the Kyoto target to reduce carbon dioxide and other greenhouse gases by 12.5 per cent. of the 1990 level by 2010. I am sure that the Minister will want to confirm that the Government have adopted a higher voluntary target of 20 per cent. for the same period.

Reducing fuel poverty and reducing carbon dioxide emissions are twin objectives, but the Committee's 12th report suggests that there is some conflict and tension in achieving those objectives within the framework that the regulator faces. However, there is a solution to the problem. It is well established that 40 per cent. of the energy used in this country's homes is wasted. Poor households are just as much victims of that energy wastage as rich and high-consumption households. The size of the household and the income of the family make no significant difference to the amount of energy wasted in a home. Therefore, it is feasible that a more efficient use of energy—electricity, in particular—will lead to something like a 40 per cent. reduction in consumption and, hence, a 40 per cent. reduction in bills, even if there is no change in pricing levels.

That can be achieved with an increase in the quality of life. It does not require hairshirts and pullovers; one can improve the quality of one's life by insulating one's home more effectively and running it more efficiently. That would result in less fuel poverty and an achievement of the targets for the greenhouse gas reductions that are mentioned in the twelfth report.

The report also refers to the Office of Electricity Regulation, Offer, which has now become the Office of Gas and Electricity Markets, Ofgem. I want to point out to the Minister and to Ofgem that it is possible to have one's policy cake and eat it. Some of the fears expressed in the report are unfounded.

Work can be done on insulation standards, heating controls and on changing electrical systems. If there were a commitment to replace all electrical heating in homes by 2010, that would reduce carbon emissions by about 6 million tonnes a year. Straightforward and practical measures can be carried out through the regulatory and grants system, and they are within the Minister's hands. They would have a significant impact on both carbon emissions and fuel poverty. I have not even mentioned what can be achieved for domestic equipment efficiency. Older domestic equipment is less efficient, and the poorest households often have the oldest and least efficient domestic equipment.

I welcome the report's note of caution on how implementation is proceeding. No one could possibly object to its proposal that the energy distribution companies and others should exercise more control over energy efficiency. It is unnecessary and wrong for grossly different prices to be charged in different places—and sometimes even in the same area—to implement the Government's plans to make efficiency improvements to homes.

However, that note of caution should not be taken as a signal—this was hinted at in the report—that, to reduce fuel poverty and to increase social inclusion, there should be a relaxation in the way that the grants scheme applies the policy on reducing carbon emissions.

Will the Minister confirm that there is an intention to have joined-up action on reducing fuel poverty and emissions? We have had an excessive number of consultation documents on all matters relating to energy, energy efficiency and renewables. I have filing cabinets full of such documents. We need not more consultation documents or even, perhaps, more reports from the Public Accounts Committee, but more co-operative action from the Department of Trade and Industry, the Department of the Environment, Transport and the Regions and the Minister's Department, the Treasury.

A clear remit must be passed on to Ofgem—which, when the report was written, was Offer—setting out a regulatory environment that will achieve what is necessary, which is the translation of our energy supply companies into energy service companies. We need a much more vigorous and rapid move towards energy service companies and parallel, similar mechanisms. We need action, not just plans and consultation.

We probably need finance. When Liberal Democrats mention money, people say, "Well, of course they always want to spend more." However, I must point out that in this case, the distribution price review will be included in the utilities Bill that was announced in the Queen's Speech. The Minister will want to confirm that every household in the country will make significant savings on its electricity bill. Government figures suggest that consumer electricity bills could be reduced by £60 per household by 2005, representing an overall saving to consumers of £1.25 billion in the next five years. That contrasts with the current levy of £1 per year imposed on every consumer to fund those programmes—a total levy of £25 million.

It is appropriate that a Treasury Minister should be present today, because I want to suggest that the right way to approach the situation is to take just a small fraction of that saving to consumers under the new distribution price review to improve the amount of support that is given to programmes such as those described in the twelfth report.

I welcome the twelfth report, but it runs some risk of deflecting Ofgem from its key task. The report does not emphasise enough the fact that reductions in carbon

dioxide emissions and fuel poverty can be achieved by the same policies as the Government have already implemented. Of necessity, the report does not consider the overall cost-effectiveness of all the interlocking powers and duties imposed on the regulators, on budgets and on Departments to achieve the Kyoto target, which the Government have accepted, and their own social inclusion aims.

The PAC has done a very good job with its wide range of reports. I welcome them all, including the twelfth report. Although I am a little worried about the impact that it might have on the Government, I hope that the Minister, in replying to the debate, will assure me that the Government will take the good points from the twelfth report and not be diverted from their intentions on greenhouse gases.

5.29 pm

Mr. Tam Dalyell (Linlithgow): I am concerned simply with the fifteenth report, "HM Customs and Excise: The Prevention of Drug Smuggling".

It was 37 years ago to the week when I was asked by the then Chairman of the Public Accounts Committee, Harold Wilson, to join the Committee. My membership was one of the great educations that any Member of Parliament can have. As my right hon. Friend the Member for Swansea, West (Mr. Williams) can easily imagine, Harold Wilson was a glittering Chairman. He got through the business, asked the most searching questions very quickly and did not tolerate long-windedness by any of the members of the Committee.

I also served Douglas Houghton of "Can I Help You?" fame, later Lord Houghton of Sowerby, who was another marvellous Chairman, as was the Conservative John Boyd-Carpenter—so much so that I campaigned for him to be Speaker of the House of Commons rather than Selwyn Lloyd, but a fat lot of use that did. I had regard for all of them.

I have not been a member of the Committee for a long time now. The rest of the House should appreciate the hours of serious and desperately important work that our colleagues on the Committee do. Without question, the Public Accounts Committee is the most effective and important Committee of the House of Commons.

I should like to refer—briefly and succinctly, I hope—to paragraph 3 of the fifteenth report. It says:

"Their strategy is governed by several themes, including the development of specialist skills, increased flexibility and mobility of resources, focusing on risk, and placing greater emphasis on known or suspected smugglers and giving greater attention to large scale, commercial smuggling and a lower priority to smaller 'personal use' seizures."

It is about drugs. I gave my hon. Friend the Financial Secretary some warning—perhaps not enough—of what I wanted to talk about.

I was chosen by the Speaker to lead the parliamentary delegation to Peru in September. We went to the upper Amazon, where the mayor of Iquitos said passionately, "Yes, it is true that we produce more coca leaves than anybody else in the world, but you can see on the Amazon ships in grey with guns. Yes, they are warships, but they are not going to war with Brazil. We are trying to do something about drug smugglers." He continued vehemently, as did the governor of the province, "You saw all the dogs at the airport sniffing every piece of luggage"—and so we did. That again was all about drugs.

When we went back to Lima for our serious discussions, we went to the United Nations drugs agency, where the very serious Frenchman Vandenberghe, together with his German colleagues and others, endorsed what we had been told in Iquitos. They said, "We will do everything that we can to stop this terrible trade in drugs, but as long as you people in the United States and western Europe are prepared to tolerate anonymous numbered bank accounts in your system, we are fighting with our hands behind our back." That was the considered view of the expert agency.

During our 50-minute meeting with President Fujimori of Peru, who is a tough man, he went even further, saying, "I totally agree with the governor of the province and the mayor of Iquitos. I totally agree with what has been said to you by the drugs agency here in Lima, but action can only be taken on an internationally agreed basis." We naturally asked where he had in mind. He named Cayman and the Bahamas and then mentioned Switzerland too, and said that perhaps the City of London was by no means as perfect as we British would like to believe. I am not saying that great care is not taken in the City and in Switzerland.

I have asked the Swiss, and they say that they look at every incoming sum above £1,000. Well, £1,000 is peanuts, so that stretches the imagination. I am willing to believe that the overwhelming majority of banking firms do their best to find out where money has come from if there is any suspicion that it involves drug-related money laundering, but perhaps some do not. That is why the Committee's suggestions are so important.

I speak to back up what the Committee says at paragraph 5:

"The Department did not convince the Committee that their reduced level of resources was a sufficiently considered response to the threat."

Paragraph 6 states:

"Over the last decade, the Department have seized increasing amounts of illegal drugs. In 1997-98 they seized drugs valued at £678 million, and estimate that they disrupted some 130 illegal organisations. The average length of sentence passed by the courts on convicted drug smugglers has increased".

The report adds that the Department

"should improve their management information in this respect."

Point (x) on page vii of the report states:

"There is also a lack of evidence to determine whether the Department's activities provide sufficient deterrence, particularly with respect to major drug smuggling organisations. We endorse the Department's intention to develop their understanding of the deterrent effect that they have and to work closely with other agencies on this issue".

Mr. David Davis: I listened with interest to the hon. Gentleman's comments on numbered accounts. It is inevitable that it is easier for illicit money to hide in a large financial centre. I accept entirely what he said about numbered accounts. It is clear from our report that the strategy followed by this Government and the previous one is failing. The best demonstration of that is that the price of drugs on the street, which is tabulated in the report, has gone down over the past 10 years, both in real terms and in money terms, in almost all cases. Whatever change of strategy emerges, there certainly needs to be a change.

Mr. Dalyell: The Committee's Chairman makes a crucial and pertinent intervention, which I can only endorse.

[Mr. Dalyell]

My impression as an outsider reading the evidence is that the Committee felt that Customs and Excise could do more. I am certainly not going to criticise Dame Valerie Strachan or Mr. Dick Kellaway who gave evidence, but I refer to the latter's answer to my hon. Friend the Member for Liverpool, Garston (Maria Eagle) on page 19. He said:

"Unfortunately, other countries do not have the National Criminal Intelligence Service and this is the difficulty. In this country we have got a very advanced one and it is a joint operation between police and Customs and because we share our intelligence, we are able to come up with some gauge about those people who are involved in this trade. Unfortunately, one of the problems of drug smuggling throughout the world is that many of the supplying countries of course are Third World countries, they are countries which are often corrupt, they are countries which of course have very poor law enforcement activity and law enforcement is starved of resources, so they have not got the intelligence which we have got available to us."

As the Committee says, it is a matter of resources.

Having been here a very long time, I can only say that I am more fussed, from the point of view of my constituency, about what is happening with drugs among young people than any other subject, even unemployment or all the difficulties that we have been through over the years. Nothing hurts so much as the terrible havoc that is being wreaked by drugs.

I know that there is no magic solution but I would be interested, at the Minister's convenience, either by letter or in answer to this debate, to learn the general reaction of the Treasury to the Committee's twelfth report. It is a very valuable report and I can only thank my parliamentary colleagues for their work on behalf of the whole Parliament.

5.40 pm

Mr. Andrew Love (Edmonton): I should like briefly to comment on the private finance initiative, and will draw heavily on the twenty-third report of the PAC, entitled "Getting Better Value for Money from Private Finance Initiative." I make no apology for that, as I have been trying to resolve many of the complex issues that are involved in this initiative, which is still considered somewhat controversial. One need only listen to the debates in the House or read any of the daily newspapers to know of the controversy that surrounds it. As it develops in new areas, such as education and health—the most recent development is in housing—controversy continues to surround it.

The whole idea of a private finance initiative is questioned in the public mind. In my constituency in Greater London, London Underground is at the centre of the controversy. Although that may not strictly be a PFI scheme—it may be a public-private partnership—the debate is about whether it is a privatisation. Whichever it is, it will not be a privatisation.

These are complex issues. When I tried to resolve them for myself, I looked back to the introduction of the PFI seven years ago, when the Chancellor of the Exchequer at the time, now Lord Lamont, said in his autumn statement that PFI was intended to improve the value for money of public sector projects by encouraging the development of closer relationships between the public and private sectors through the transfer of risk and responsibility, and to enable the public sector to benefit from private sector skills and innovation in the delivery and procurement of services.

That statement clearly contends that the private sector initiative is about risk and value for money. It is not about value for money in the short term, because we all know that not having to pay capital charges up front will make it value for money in the short term. It is about achieving value for money in the longer term.

I should like to suggest four ways of improving the private finance initiative. The hon. Member for Newbury (Mr. Rendel) and the Chairman referred to the transfer of risk. When the PAC considered the first report on the replacement national insurance computer, the NAO reported to Parliament that that PFI represented strikingly good value for money, provided that the service contracted for was delivered. That is the important part. We cannot transfer all the risk through a PFI. If the project is not delivered, the Department concerned still risks suffering the fallout from the failures of the PFI.

The second report of the PAC showed the fallout from the problems of the Department of Social Security and the Contributions Agency. There was a substantial backlog of payments to pensioners. Some of the poorest people suffered because of that failure. Thousands of long-term and short-term payments could not be made or were made on an interim or emergency basis. That increased the confusion, and the Department failed to respond to the services needed by that community.

We could consider reports on immigration and nationality that are still to come before the Committee. The Passport Service has had similar problems. A little noticed press release from the Cabinet Office a week or two back said that a central IT unit is being established to review the failures of PFI initiatives. Those involved will have to deal with a tall order, in that they will have to specify some particularly complex projects. However, I am glad to note that the problem is at least being tackled.

I also want to discuss the private finance initiative and the alternatives to it. Is the traditional procurement method better? I believe that it is necessary to have a robust public sector comparator in order to make the choice. Let us cast our minds back to the original PFI, which featured in the Skye bridge project. Those involved made little effort to choose a public sector comparator, because they had already decided that they wanted to build the bridge, and only private finance was available.

As the situation has developed it has got better, but mistakes are still being made. A report published this year on the first health service private finance initiative, relating to Dartford and Gravesham hospital reveals that, according to the report on the basis of which the decision was made, the PFI was supposed to provide £17 million-worth of advantage—9 per cent. of the overall cost. When the position was examined more closely, however, the figure fell to £2.5 million, a mere 3 per cent. of the overall cost. That does not call the PFI into question, but it calls into question the calculations that have been made, and in the long term it may also call into question the whole issue of the PFI.

The Select Committee noted the complexity of the issues in its twenty-third report, stating that

"assessing the value for money offered by a PFI deal by comparison with a conventional project will involve comparing the value for money now with that of money later. Such comparisons can be very sensitive to the assumptions on which they are based."

That could not be more true, in the context of some of the reports with which we have been presented. It suggests that we must have a rigorous review of the choices before a PFI is undertaken, and I feel that that must include a sensitivity analysis. We have to know what the tolerances are. Given that projects of this kind last for some time, we need to know whether the PFI is likely to work to our advantage in the long term.

Another example is provided by the four road schemes that we examined last year. We used a discount factor of 8 per cent.; Treasury guidance suggests a factor of 6 per cent. That may not sound very much, but it amounted to £69 million. Although the difference was significant, it did not call the PFI into question in the short term, but if we consider the long term and the changes that are likely to occur, this may be a problem waiting to happen.

I am also concerned about the appropriate allocation of risk. Although the intention of the PFI is to transfer as much risk as possible to the private sector, that is not always appropriate, especially when the risk involved cannot be controlled by the private sector partner. The widening of the A74 in Scotland is an example. The PFI payments were based on "shadow tolls"—on the number of vehicles that would travel on the road. The private sector partner cannot control that factor, which inflates the cost of the scheme.

In an earlier report, the Committee suggested that the PFI should be provided in the context of things that can be controlled: the continuing use of the road, or dealing with accidents on the road. In any event, I feel that we should allocate the risk appropriately.

My final comment on the PFI relates to compensation. This was mentioned by the hon. Member for Newbury. I refer to the transfer of risk: is the risk transferred if adequate compensation arrangements are not in place? We see the problem in all the information technology projects.

Mr. Geraint Davies: My hon. Friend has made his point accurately, and has rightly stressed the sensitivity of the question of value for money for the PFI. A critical element of that is often a discount rate in terms of the income stream, the value of the service and the assumed interest rate. Does my hon. Friend feel that we should make public the assumptions about interest rates and discount rates at the time that PFIs are agreed, or that we should simply look back in anger?

Mr. Love: I am always predisposed to make public such issues, but I agree that there may well be commercial sensitivities in some areas, and that needs to be considered carefully. But I certainly believe that we should ensure that the basis on which PFIs are arranged is robust and can be defended publicly.

Compensation is important in PFI schemes. If risk is not to be transferred back to the public sector, compensation must be commensurate with the additional costs that failure to deliver the project entails. It should reflect the cost of completion of the project, or, in extreme circumstances, the cost of redoing the whole project.

Measured against that must be the fact that any additional costs loaded on to the partner will inevitably mean an increase in the cost of the PFI scheme. That is obviously where subtle negotiations come in. The public sector started out not terribly experienced in this matter, but we are gaining experience in negotiating such contracts. However, we did not have such experience in the past, and the NIRS contract is a case in point. That contract contained up to £100 million in compensation, but to date—at least, when the report came before us—we had received only £3.1 million. We were told that there were contractual problems and legal difficulties, but the contract should have specifically covered such matters. There is also the question of whether £100 million will be adequate to meet the losses made on the project. We need a clear outline of the contractual relationship in a PFI to ensure that everyone knows who takes responsibility for a failure and where the costs will be distributed.

The reports before us, a number of which deal with PFIs, show that in some circumstances the PFI provides value for money for public procurement but, as has been said, it is not a catch-all. Not every project will be susceptible to PFI, and we must decide where it is appropriate and where it is not.

I remain sceptical of some of the areas into which the PFI now reaches, but as a member of the PAC I am prepared to wait and see how our experience moves us forward. We should ensure that it is available where appropriate. It is not a quick fix. Everyone seems to think of the short-term gain that we need not pay for the capital costs without thinking of the longer term.

It is critical that the PFI should work throughout a project's term. It does not solve the chronic shortage of capital funds in the public sector. We should say clearly that there must be value for money for a project to go ahead. But where private sector skills are available and can be used, and innovation can be introduced to a project, we should do so: as happened to some extent on the Jubilee line, a project which was completed on time, unlike previous projects which were delayed.

The Treasury Committee is considering the PFI at present, but the public sector's experience of what it means is growing. The Government Resources and Accounts Bill will include a new vehicle for developing the PFI, and we have seen the work being done by the National Audit Office, as well as the work done by the PAC on value for money. All that will show clearly that the PFI can work in a certain way and under certain conditions on behalf of the public sector.

5.55 pm

Mr. Geraint Davies (Croydon, Central): I want to cover a few points on information technology contracts, the private finance initiative and our views on accountancy methodology in Europe. The Public Accounts Committee is an enormously important institution in Parliament. The Government spend £5,000 on the average person in Britain—man, woman or child—and it is important that they get value for money. That is why we have 750 full-time staff considering those issues.

I want to comment on the advent of resource accounting, which I welcome because it gives the Government an understanding of asset management and cash flow analysis. I was leader of the biggest borough in London and our accounting methodology meant that we were already fully aware of our asset management and our cash flow. When Governments claim that they want best value, and that local authorities are no good at managing their funds, they should look in the mirror, because local authorities are well up on their accounting

[Mr. Geraint Davies]

procedures. I echo some of the points about extending the powers of the NAO to include the sort of powers that the Audit Commission has and, indeed, those that exist in Europe.

In a given financial year, the Government will spend about £7 billion across the board on IT for the Inland Revenue and Departments such as defence, health and social security. It is crucial that any lessons about value for money that we learn in the PAC are acted upon. In the 1990s, 25 cases, which were characterised by delay, confusion, lost cash and bad service to the consumer, came before the Committee. Certain Departments failed to learn from their mistakes, but, more importantly, they failed to learn from other people's mistakes. Joined-up thinking must be applied across government and the PAC has drawn together many of the lessons in one report.

In a simple business analysis one must acknowledge that mistakes can be made at certain stages when one commissions IT projects in the public or the private sector. One should start by having a clear concept of consumer requirements for the IT and what it is supposed to achieve. Often, there is no such clear concept. It is important to ensure that contracts are tight and clearly identify who is responsible for what. However, they should also include flexibility and provision for modernisation because the IT in use five years hence will be a quarter of the price and twice as effective as that of today. If we buy IT through the PFI, we may pay over the odds for in-built obsolescence in technology and service delivery that is out of date because the new user has different demands. We must bear that in mind.

My experience of implementation is that top management—for example, the permanent secretary—does not get its hands dirty and believes that a few junior managers can implement IT systems. When everything goes badly wrong, there is crisis management and all the managers have to rush in. A complete fiasco ensues, the service suffers and, often, there are no contingency plans. Delays on the IT side mean that conventional methods of providing services are not used either and chaos follows.

To illustrate my point, I shall refer first to the immigration and nationality directorate and Siemens and, secondly, to the national insurance recording system. On immigration, the number of asylum applications was approximately 35,000 a year when the previous Government drew up the contract with Siemens. That number has increased to 80,000 because of what has happened in Kosovo and the Balkans. It is easy to be clever in hindsight, but we should have a system that can cope with international turbulence such as war and massive increases in migration. The specifications in the contract did not allow for that; they could not cope and the concepts involved were not clear.

Siemens subcontracted to Perot, so it was obvious that Siemens could not do the job on its own. One wonders why we could not find a company that could do so. Perot was to provide a tailor-made system, but did a runner. We ended up with Siemens saying, "Okay, we'll produce something off the shelf." As it made the wrong assumptions—it was to have worked on the project with someone else, but ultimately had to work alone to produce something off the shelf, not tailor made—it was not surprising that things began to go badly wrong. Siemens had planned to run a paper-free management system alongside a computer system, but the computer system was delayed.

The immigration and nationality directorate moved offices and ended up in Croydon, which is my constituency. There was chaos and the legacy is that the Minister of State, Home Office, my hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche), who was previously the Financial Secretary to the Treasury, is regularly in Croydon trying to sort out the mess. It is good to see her there, but there are lessons to be learned about project management.

Unfortunately, the mistakes have been repeated in other examples that have been considered by the Public Accounts Committee. Issues such as those surrounding NIRS2 take a long time to come to light; indeed, they go back to the time of the previous Government. The Andersen Consulting bid for the contract came in at about a third cheaper than that of its nearest competitor and offered a big-bang approach under which a whole system would be introduced to a complex area all at once. After being given the work, Andersen Consulting concluded that it could not do it all at once. It wanted to do the work bit by bit and renegotiated with the Government, so the public cost exposure was widened because the original contract was suddenly not intact. There have been various other problems, but I do not have time to go into them.

Intellectual property value is important when a company gets its product right. Even though there may have been all sorts of service delays and costs for us, a company might say to Argentina, for example, "We can do your national insurance. We know how this system works because we have done the experiments in Britain." If it sells that system for an enormous amount of money in the international marketplace, should not we, as the seed-corn investor, have a profit share in respect of it? If we are to think about entrepreneurial activity in government, why not consider not only windfall profit clawback, but profit share in terms of the marketability of products developed by us in the public sector?

I was pleased that my hon. Friend the Member for Edmonton (Mr. Love) referred to the private finance initiative; he made some excellent points. The PFI is big business. The Government expect to invest about £100 million over the next four years in capital expenditure overall and about 13 per cent. of that will be under the PFI. I understand that the payback on those projects over the next 27 years will be £80 billion. The figures are big and, as has been made clear, it is important that we are able to show that it is better to go down the PFI route than the traditional capital expenditure route in terms of value for money. Capital expenditure investment is increasing in itself, outside the PFI, from £18 million to about £25 million a year by 2001.

Value for money is a big question. Underneath it—if we are to have the PFI as opposed to traditional investment—are other questions: whether there is genuine risk transfer and how that is measured; whether there is genuine innovation that is producing added value and how that is measured; whether added value will be available from the business because there will be new products that can be marketed outside the normal scope of government; and whether specialist management is available that we do not have at our disposal. We must also ask whether all those together compensate for the extra cost of capital.

In the Skye bridge example, which has been referred to, the extra cost of capital was about a seventh of the total, but we should compare that with the Jubilee line extension, to which a more conventional approach was taken. Although it was thought that it would cost £2.1 billion, the total cost was £3.2 billion. An extra £1 billion was spent and the project was delayed for a year. Under the PFI, risk is transferred because a company has to complete a task with a certain amount of money and in a certain time. If it fails, it has to pay for that. As long as we can button such conditions down contractually and if the company does not liquidate itself so that we end up bearing the cost—such a big "if" needs to be checked out through credit ratings—such a system makes a lot of sense.

The questions that we need to ask ourselves when we assess the PFI at Treasury level—and, thereafter, in the Public Accounts Committee—concern risk transfer and added value and whether they are measurable and transparent. We must also ask whether we have a negotiating team—in-house or at arm's length—that is sufficiently capable to negotiate the best deal for the public sector. The private sector will always come in and bid for more than the real cost to maximise its profits. That culture is often not relevant within government at the moment. Is modernisation built into contracts in relation to technology and service profiles?

As my hon. Friend the Member for Edmonton asked earlier, what discount rates will apply to project, and what assumptions will be made on interest rates? How sensitive will value-for-money decisions be to those rates? On confidentiality, I am an advocate of being as open as possible about discussions on the realism of rates.

Provision should be made for compensation if there are service delays or disruptions, and to claw back excess profits. However, we shall be able to apply the lessons learned from other PFI projects, and the Public Accounts Committee will increasingly be examining the increasing sums provided by the Government for PFI projects.

I should like to make a few comments about the Committee's visit to mainland Europe—which occurred in the aftermath of the European Commission's resignation. Hon. Members will recall that, after the group of wise people investigated irregularities at the Commission, and the European Parliament refused to accept the Union's 1996 accounts, the Commission was forced to resign en masse.

The Committee was able to make various suggestions for improvements to financial accounting practices in mainland Europe. The European Union has a £55 billion budget, with irregularity—some caused by mistake, but other by fraud—running at 5 per cent. However, to put that into context, irregularity in the United Kingdom social security budget amounts to 8 per cent.

I should like the European Union to divide its budget into various categories, so that some sub-budgets may be passed while others receive further scrutiny. Such an arrangement would enable us to focus on real weaknesses, rather than making it necessary to invoke the collegiate system of collective responsibility, in which the stakes are all or nothing and which places the onus on the European Parliament to pass the budget, warts and all.

The Public Accounts Committee is supported by the National Audit Office and interrogates a permanent secretary, who is an accounting officer. The situation is much less clear in the European scenario.

The Court of Auditors—which should act as the equivalent of our National Audit Office, supporting the Committee on Budgetary Control—should interview Commission Directors. In practice, however, the Committee on Budgetary Control spends perhaps 10 minutes examining the report of the Court of Auditors, which is located 115 miles from the Parliament.

The Court of Auditors works very closely with the Commission—which is allowed to vet some of the Court's reports before they are sent to the Committee on Budgetary Control. Moreover, there is no single accounting officer, as the person authorising the money and the person spending the money are different people in different parts of the organisation. It is therefore no surprise that the system in the United Kingdom, and in northern Europe generally, may not bring a lot of added value to the Commission itself.

In my two years on the Public Accounts Committee—

Mr. Love: An old hand.

Mr. Davies: Yes; I am a very old hand.

I have certainly enjoyed the opportunity of applying business disciplines to public expenditure, and think that we have recently made rapid progress. When I was elected to the House, however, I was surprised to learn how backward the accounting system was in relation to resource accounting. Nevertheless, the European Union could learn much from the United Kingdom.

There are many challenges ahead in improving information technology and the PFI, but I am sure that, collectively, we shall be able to help meet them.

6.9 pm

Mr. Quentin Davies (Grantham and Stamford): It is a pleasure once again to find myself opposite the Financial Secretary to the Treasury, albeit in a different departmental capacity, and I take this opportunity to congratulate him very sincerely on his appointment.

This is a very special parliamentary occasion. The fundamental—the primordial role—of Parliament, ever since we were established back in the 13th century, has been to vote Supply to the Executive branch, to authorise the raising of taxes, and then to keep close tabs on the Executive branch in its expenditure of that money. The Public Accounts Committee acts in effect as the ears, eyes and arm of the House of Commons in that essential constitutional role.

We have a sense of gratitude to colleagues who serve on the Committee and do such an excellent job. That is why the Committee and the NAO system has justifiable international prestige at present. I want to pay tribute to my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), and to all collcagues on both sides of the House who have given up their time to produce 40 reports—a considerable achievement.

All the speeches today have been thoughtful, and no one has come into the Chamber to mouth slogans. Many who have spoken are members of the Committee, but others who are not have been motivated enough to sit through a long debate to make carefully considered points.

My right hon. Friend the Member for Haltemprice and Howden set out his achievements, and referred to the 40 reports and £356 million in savings—a concrete

[Mr. Quentin Davies]

achievement on behalf of the taxpayer. He referred to a number of interesting inquiries that the Committee had undertaken. He was harsh in his comments about the EU, and I will return to that matter. He referred to the Halton college affair. I thought that it was quite a regrettable achievement for one small further education college to succeed in malversating £6 million without anybody noticing.

My right hon. Friend referred to the challenges and problems that the Committee faced and would be likely to face in future. He said that the Government appear so far to have refused the NAO access to Oflot's records in the vetting of candidates for the national lottery. It must be of concern to us all if the Committee and NAO find difficulty in carrying out their task because of obstruction from the Executive branch. I hope that the Minister will address that.

My right hon. Friend said that 50 agencies were not covered by the NAO or the Audit Commission. Since these intermediate agencies are growing in importance in the Executive, it is worrying that so many should not be covered. Parliament deserves an explanation, and I hope that we will get an assurance from the Minister that they soon will be covered.

My right hon. Friend said that it was essential that the performance measures which were to be agreed between the Government and various Departments should themselves be subject to audit. That is extremely important, and I hope that the Government will respond favourably.

My right hon. Friend made a serious charge which should not be forgotten. The Chancellor, in his pre-Budget statement the other day, said that the assumptions and projections behind his statement had been audited by the NAO. My right hon. Friend pointed out that that was not the case for all of them. Frankly, the selective auditing of assumptions—without making it clear to Parliament which had been subject to audit and which had not—is in some ways worse than no audit at all, as it gives an entirely spurious credibility to the vital figures which appear in such statements.

The right hon. Member for Swansea, West (Mr. Williams), who has long experience in the House on both Front and Back Benches, spoke with considerable authority. He made the point that giving short-term contracts to civil servants and introducing commercial incentives into the civil services increases, to some extent, temptations and difficulties that otherwise would not have arisen. He said that that may be a threat to the culture of the civil service, and while I do not know how much of a problem that is likely to be in practice, we must be alive to the possibility. The right hon. Gentleman made some useful points.

The hon. Member for Newbury (Mr. Rendel) dealt with the NIRS2 computer fiasco. The Liberal Democrats are normally so sycophantic towards the Government, but he made it clear that he regarded the matter as being their fault, not—as the Government often try to pretend—that of the previous Administration.

The hon. Member for City of Durham (Mr. Steinberg) alleged serious miscalculations by the Treasury in managing several major privatisations, including nuclear power and Railtrack. I did not always find his financial logic easy to follow, but I hope that he and the Government would agree that it is important that investment or divestment decisions are taken entirely on the basis of marginal costs or marginal return, and not sunk cost. For a moment, I thought that the hon. Gentleman was suggesting the latter, but that would be a serious error that would cause great economic damage to this country. When comparing marginal costs, one must compare the potential return keeping an asset in the public sector to the return that would be obtained by selling it, which would constitute a capitalisation and a lump sum. It is no use saying that a privatisation should not be carried out because the return for the private organisation that takes over the activity will be much higher. Of course it will, and that is why the private sector bid for it. The efficiencies resulting from the privatisation are reflected in the price.

My hon. Friend the Member for Bexhill and Battle (Mr. Wardle) dealt with national savings, which are important to many small savers. He also made the original suggestion that agencies should think about setting up in-house IT units instead of contracting out or buying in that service. The proposal would need much thought, but those with responsibilities in that area should think very carefully about it.

The hon. Member for Liverpool, Garston (Maria Eagle), who is leaving the Committee, gave us an elegant swan-song in which she coined a couple of useful phrases. She said that the Committee and the National Audit Office should have a "financial right to roam", and I agree. That right should not be constrained, although my right hon. Friend the Member for Haltemprice and Howden claimed that that is what is happening. That is worrying. The hon. Lady also said that if taxpayers' money is involved, the Committee should be allowed to pursue it. That principle could not have been better expressed.

My hon. Friend the Member for South-West Hertfordshire (Mr. Page) dealt with two matters. He was severe about the European Union and the Commission, and he also made several important points about the relationship between the Government Resources and Accounts Bill, the National Audit Office and the Committee.

The hon. Member for Brent, North (Mr. Gardiner) mentioned cervical screening, which was the subject of an important report. He reminded us that the issue involved not just money, but life and death. I think that he said that cervical cancer causes 1,300 deaths a year, although I cannot confirm that figure. If that is so, one would hope that that number could be brought down rapidly, because the assumption must be that if earlier diagnoses were possible the great majority, if not all, of those women could be saved.

When I read the report I was also struck by the Committee's strong strictures about the local management of Kent and Canterbury hospital. Page viii of the sixty-ninth report of the 1997-98 Session says:

> "They deserve the severest censure for doing nothing about those problems and for bottling them up within the Trust".

Something should have been done about that, and it sounds to me as though several people who had been exercising executive functions in the trust ought not to be exercising them today. I hope that they are not.

The hon. Member for Hazel Grove (Mr. Stunell) dealt with the twelfth report, on energy efficiency, and very properly criticised the Government for the inefficiency of the handgun compensation scheme.

The hon. Member for Linlithgow (Mr. Dalyell), who is still internationally known as the hon. Member for West Lothian, made a passionate speech about the danger of drug abuse and the problems of controlling international money laundering. That is relevant to our debate because those problems were touched on in the fifteenth report.

The hon. Member for Edmonton (Mr. Love) made several telling points about the private finance initiative. He rightly said that the PFI can all too easily become a way of disguising reality and cooking the books rather than a way of providing economic benefits for the nation. PFI is an important and positive development in itself, but a degree of healthy scepticism about it is appropriate.

The hon. Member for Croydon, Central (Mr. Davies), who knows quite a lot about business and IT, said that some of the mistakes that had been made in the IT-related schemes had involved the specifications rather than errors by the contractors, who had had to take over projects on the basis of the specifications. That is interesting, because the hon. Gentleman normally defends Ministers, and if when computer systems go awry the fundamental errors are in the specification, clearly it is the Government rather than the contractors who are largely to blame.

The hon. Gentleman also said that when contractors have learned things at the expense of the British taxpayer by pioneering a new system—they may not have done it well, but they will have come away with valuable know-how—the Government should share the benefit. That is a good idea. The Government have missed another opportunity in failing to grasp that idea and include it in contracts where possible. There could be a provision for a royalty or other payment when know-how acquired as a result of carrying out a particular contract is subsequently sold on by the contractor to customers elsewhere in the world.

It would be wrong for me to finish speaking without saying on behalf of the Opposition what conclusions we draw from the debate. As I have said that the debate is important and the subjects pertinent, and that they have been dealt with in a serious fashion by the Committee, if I did not now give our point of view it would be something of an abdication on our part.

Reading the reports, which was necessary homework for the debate, is a salutary if somewhat depressing exercise. It is clear that things are not quite as well conducted in our administration as most of us would like to think.

I was struck by the criticism of the European Commission from both sides of the House, and by the strong language in the Committee's report on that subject. The House knows me well enough to realise that I am not one of those who simply gloats over any and every criticism of the Commission—on the contrary. None the less, the criticisms must be taken seriously. If one believes that the Commission is a vital body, and in many ways has a fine record as a bureaucracy, it is even more worrying that there should be such substantial flaws in what we might call the "back office"—the aspects concerned with administration, implementation and financial control. I think that we all look to Commissioner Kinnock to bring about some real changes. All hon. Members know him and sincerely wish him well, even though opinions about him differ. As Commission Vice-President with responsibility for administration, Mr. Kinnock is the senior British Commissioner. He has a vital job and faces a great challenge. I hope that the Committee will go back to Luxembourg, Strasbourg and especially to Brussels before it reports on the Commission again in a couple of years or so. It is extremely important that some real improvements are evident.

I turn now to the NIRS computer system. It is clear that a bad mistake was made in August last year, when the system was accepted. The Public Accounts Committee is never party political, but paragraph 4 of the report on NIRS published in June states:

> "Fifteen months after we first took evidence from the Contributions Agency the situation is much worse. The system is still not fully operational."

That was bad, but far worse was the complacency of the Government's response to the crisis, of which the House should be much less forgiving. Only last autumn, the Secretary of State for Social Security said that the matter would be resolved in a few weeks. Either he did not know what he was talking about, or he was trying to pull the wool over the eyes of hon. Members about a very serious matter. That was insouciance bordering on recklessness, and the House deserves an apology.

Another theme that emerges from the Committee's analyses of failures and problems has to do with the Home Office. It cannot be a coincidence that nothing that the Home Office does goes right. We have had the disaster with handguns, and the shambles in the immigration department. The Committee has not yet had a chance to examine the shambles in the Passport Agency, but I hope that a National Audit Office report on that matter will be available to the House fairly soon. The Home Office seems incapable of running anything with even a modicum of efficiency.

Finally, the Government Resources and Accounts Bill, which will be given its Second Reading on Monday week, was referred to several times. The Bill gives the Government a wonderful opportunity to enhance the transparency and the reality of the figures presented to the electorate. It is also a wonderful opportunity for the Government to increase the rationality and efficiency of their operations, so that better decisions in resource management are taken.

The Bill is a superb initiative and we have welcomed it, in principle, from the beginning. However, it contains some enormous lacunae. Vast areas of Government revenue and expenditure are not covered, and some of the most important areas of liability—including the national insurance system, and pensions liabilities that must amount to some £200 billion at least—are simply omitted.

I hate to think what would happen to someone in the private sector who produced a company balance sheet that left out what amounts to a fully owned subsidiary—in this case, the national insurance system. Such a balance sheet would disguise from readers one of the most pertinent liabilities of that private sector company, but the Government seem to think that they can get away with such conduct. I hope that they will think again on that matter, and on the many other important issues that have been raised this afternoon.

6.29 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): As always, it is a pleasure to follow the hon. Member for Grantham and Stamford (Mr. Davies), and I thank him for his kind words.

I have listened with great interest to this debate, in which many valuable points have been raised. I hope that, unlike my predecessors, I will be able to listen to the debate when it comes around again in a year's time. First, though, I want to thank the Public Accounts Committee for its hard work over the past year. The Committee's Chairman, the right hon. Member for Haltemprice and Howden (Mr. Davis), said that it had produced 40 reports in that time. I look forward to the opportunity of attending a meeting of the Committee as a member before too long. I thank the Chairman and other members of the Committee for their welcome.

Since the last debate of this kind in January, the Committee has continued to work with its customary diligence. In an excellent and elegant speech, my hon. Friend the Member for Brent, North (Mr. Gardiner) illustrated well how the reports have great influence for good in individual localities such as his constituency as well nationally.

One of the main reasons why the Committee continues to have such an impact is that it is extremely well served by its Chairman. He exhibits not only great energy and enthusiasm, but real concern about standards of behaviour and value for money in Government. That is a powerful combination, for which we are indebted to him.

I should also like to thank other members of the Committee, who have worked very hard, particularly my right hon. Friend the Member for Swansea, West (Mr. Williams), the senior member of the Committee. When I was first elected to the House, a member of my local constituency party advised me that if I wanted to be effective, I should emulate my right hon. Friend, particularly with regard to his work on the Committee. I have watched his contributions since then with the greatest interest, and concluded that that tribute was well deserved.

I thank the Comptroller and Auditor General, Sir John Bourn, the head of the Northern Ireland Audit Office, Mr. John Dowdall, and their staff, for all the valuable work that they have done over the past year. We are indeed very fortunate to be served by such excellent auditors.

One of the main ways in which the Government are seeking to improve the quality of our public services is through the modernising government initiative. The National Audit Office has an important part to play in making the initiative a success, not least by carrying out studies in the relevant areas. The Government would welcome, for example, studies of cross-cutting initiatives and how to make better use of new technologies. We do not claim to have all the answers, and are keen to expose those areas to effective scrutiny.

Fear of how auditors will react to new ways of doing things is often cited as a reason for sticking to time-honoured ways of working. But Departments need to adapt if they are to exploit all the opportunities that are opening up. That is why I particularly welcome the statement by the Public Audit Forum in the White Paper "Modernising Government" that auditors will support well thought through risk-taking and experimentation. The Committee Chairman said that today, and my right hon. Friend the Member for Swansea, West also spoke about the importance of innovation. I hope that officials at all levels will take note.

We are grateful to the Public Audit Forum for a number of things, as well as its statement in the White Paper on modernising Government. I welcome that initiative as well as the co-operation between our national audit agencies, which is demonstrated by the forum's work, and the determination of auditors to think positively about the major issues facing the Government, and how they can contribute to achieving worthwhile change.

The Government also aim to secure better service delivery through involving private partners. I welcome the Committee's work on getting better value for money from the private finance initiative and the thoughtful remarks of my hon. Friend the Member for Edmonton (Mr. Love). Since the election, we have signed more than 140 deals involving capital investment by the private sector of nearly £5 billion to deliver better services over a wide range of activities. But there is still undoubtedly scope for doing more. Following the recommendations of Sir Malcolm Bates, we announced in July the creation of a new private sector-led body, Partnerships UK, a private company with a public mission. That is a practical response to the key lessons outlined by the Committee in its 23rd report.

A number of hon. Members have spoken about the Committee's work on privatisations. My hon. Friends the Members for Liverpool, Garston (Maria Eagle)—whom I congratulate on her well deserved appointment—and for City of Durham (Mr. Steinberg) made some telling points about the way in which privatisations were handled, particularly Railtrack and British Energy. The Committee drew important conclusions about that. Both those firms were affected by the windfall tax, which offered comfort to some hon. Members. The Railways Act 1993 required that Railtrack should be sold as soon as was practicable, and that was the source of some subsequent difficulties.

Several hon. Members have talked about the Government Resources and Accounts Bill, which I agree is the most important change in central Government financial accountability since the initiative of Mr. Gladstone of which we heard earlier. The Bill will enhance the quality of financial information available to the House and will enable Departments to manage resources more effectively. I am glad that that move has been welcomed and that it is not contentious.

Implementation is well under way and progress is being monitored, assessed and reported. The hon. Member for Hazel Grove (Mr. Stunell) asked for chapter and verse on progress. I can tell him that Departments are submitting dry-run resource accounts to the NAO for audit, with a view to meeting trigger point three. The next trigger point will come when Select Committees receive dry-run resource-based estimates from Departments for the coming financial year. Further reports on progress and policy will come before the House, and the Bill provides for the preparation of whole-of-government accounts, allowing the expansion of the principles of resource accounting to accounts for all public sector spending.

Mr. Stunell: Will the Minister give way?

Mr. Timms: I apologise, but I cannot.

The right hon. Member for Haltemprice and Howden suggested that the Bill should extend the NAO's rights of access in several areas. I am not persuaded of the need for that, but the matter will be fully discussed in the coming debates on the Bill. The right hon. Gentleman suggested that the NAO should audit all non-departmental public bodies, but it was agreed some time ago that the NAO should have inspection rights for all those bodies, so it already has the access it requires if it is to follow up points of concern.

As it happens, the NAO has been asked to audit all bodies established since the general election. However, each case should be considered on its merits rather than our imposing a one-size-fits-all policy on such bodies. I do not rule out the possibility of extending rights of access by administrative means in agreement with relevant Departments, where it may be necessary to provide effective audit or to help to promote well thought through innovation and risk-taking. I look forward to discussing such matters with the Comptroller and Auditor General.

The right hon. Member for Haltemprice and Howden and the hon. Member for Grantham and Stamford asked about NAO access to Oflot. I am sorry that the Committee has not yet had a response to its request for access to Oflot's books. The request raised difficult legal issues, which have taken some time to resolve. Matters are progressing, and I hope that the Government will be able to give the Committee a response soon.

The hon. Member for South-West Hertfordshire (Mr. Page) suggested that the Bill would curtail access currently available to the NAO. I can assure the House categorically that Ministers have no intention of curtailing existing access. The Government also categorically intend that the Comptroller and Auditor General will continue to report to Parliament, and not to the Treasury or anyone else.

The right hon. Member for Haltemprice and Howden asked about NAO audit of performance information. Reliable systems should be in place for measuring and monitoring performance, but I am not sure that mandatory external validation by the NAO is necessarily the best way forward. Several issues will have to be considered further as performance reporting policy develops. We shall keep the point under review, and I am aware of the excellent work of the Audit Commission among local authorities, which was mentioned by my hon. Friend the Member for Croydon, Central (Mr. Davies).

I was asked about audit of the assumptions for the Budget. The Comptroller and Auditor General conducts those audits on the principles set out in the Finance Act 1998. The role of the NAO is formalised in the code for fiscal stability. I remind the House that this Government and this Chancellor have gone much further than any other in opening up their assumptions on public finances to public scrutiny. I am sure that the Committee has welcomed that development.

European Union reform was mentioned by a number of hon. Members. Those issues were discussed in the Committee's 29th report. We agree wholeheartedly that fundamental reform is needed. The Prime Minister himself called for root-and-branch reform. The new Commission has taken action, which is encouraging. Neil Kinnock chairs a group of commissioners to push forward the reform process and they will be setting out detailed reform proposals next February. He has also published a route map for reform, to set out milestones up to next February, including a new whistleblower's charter. I am glad that the right hon. Member for Haltemprice and Howden has been in discussion with him. I welcome the Committee's continuing interest in the matter.

I thank my hon. Friend the Member for Linlithgow (Mr. Dalyell) for his courtesy in letting me know that he wanted to raise issues associated with the fifteenth report. I will ensure that, as he requested, he receives a copy of the response to it, setting out our arguments in detail. He was right to identify the drugs problem as one of huge importance and one that has a high priority for the Government.

Of course, unnumbered bank accounts are prohibited within the United Kingdom. In the case of the overseas territories, including the Cayman Islands, we have instituted a new independent review of the system of financial regulation that is in place to plug any gaps between it and international best practice. In that way, I hope that we will be able to deal with any difficulties that remain there.

Mr. Dalyell: Will my hon. Friend give way?

Mr. Timms: If I may, I will carry on, but I will be happy to discuss the matter further with my hon. Friend.

The hon. Member for Hazel Grove asked me to confirm that the Treasury, the Department of Trade and Industry and the Department of the Environment, Transport and the Regions are working together on environmental issues. I certainly can do so. The recent announcements by my right hon. Friend the Chancellor on the climate change levy are a good illustration of that and have been welcomed by environmental organisations and industry.

My hon. Friend the Member for Garston gave the House a rightly shocking account of the irregularities at Halton college. I am glad that she was pleased with the Government's response. A clear theme that runs through a number of the Committee's reports is that problems could have been avoided by compliance with sound financial and management controls. We are committed to matching best private sector practice on developing such systems.

In the case of the Public Trust Office, it has been acknowledged that the Committee's conclusions demand a fundamental programme for change and the Lord Chancellor will be making a statement in February on the reforms that he proposes. I am pleased with what the right hon. Member for Haltemprice and Howden said about the response of the permanent secretary at the PTO, even if he is not the Committee's pin-up. It would be interesting to know who is that pin-up—we have heard about a number of people who it is not.

Several hon. Members mentioned information technology problems, about which I am also concerned, including the problems with NIRS2, with which I am very familiar. There has been no complacency. The system was supposed to be up and running by February 1997, before the general election, so it is a bit rich for the hon. Member for Grantham and Stamford to attempt to blame the Labour Government for those problems. Like all of us, I regret the problems caused to many pensioners and others by NIRS2 delays. The difficulties are thankfully largely, although not entirely, behind us.

[Mr. Timms]

Of course, there have been examples of IT projects that have gone well, but some have gone badly. The Government have established a review team to study how things can be improved, as has been mentioned. It is located in the Cabinet Office central IT unit so that it can work closely with officials developing the Government's corporate IT strategy. The team includes representatives from throughout Whitehall and the private sector. I am particularly pleased that it will include someone from the National Audit Office.

We have had an interesting debate, which has demonstrated the wide range and importance of audit and accountability issues. I very much look forward to dealing with those issues in the months to come. I can assure right hon. Members and hon. Members that I have taken careful note of all the points that have been made and will reflect further on all of them. I am sorry that I have not had an opportunity to respond to all the points that have been made as fully as I should have liked, but I am grateful to the House and to all those who have spoken in the debate and taken the opportunity to put their views forward.

Question put and agreed to.

Resolved,

That this House takes note of the 68th and 69th Reports of the Committee of Public Accounts of Session 1997–98, of the 1st to 38th Reports of Session 1998–99 and of the Treasury Minutes and Northern Ireland Department of Finance and Personnel Memoranda on these Reports (Cm 4279, 4285, 4312, 4335, 4380, 4381, 4394, 4408, 4456, 4469, 4471 and 4515).

COMMITTEES

Ordered,

ENVIRONMENTAL AUDIT COMMITTEE

That Mr. Gareth R. Thomas (Harrow West) be discharged from the Environmental Audit Committee and Mr. Jon Owen Jones be added to the Committee.

PROCEDURE COMMITTEE

That Chris McCafferty be discharged from the Procedure Committee and Mr. Tony Banks be added to the Committee.—*[Mr. McNulty.]*

Bus Services (North Derbyshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McNulty.]*

6.45 pm

Mr. Harry Barnes (North-East Derbyshire): I need to declare an interest in the subject of the debate, in that I do not have a car—I cannot drive—and therefore I make use of bus services in north Derbyshire, as well as taxis, in order to get around my constituency. The focus of the debate is the area covered by north-east Derbyshire bus services, as defined in their timetable. The timetable shows that 60 per cent. of the routes are run by Stagecoach Holdings plc and 15 per cent. by First Mainline; the remaining 25 per cent. are run by eight other companies—most of which are very small.

That is reasonably typical of the national pattern for bus services. Since bus deregulation in 1985, a system has developed in which several big private players dominate the market, while smaller players tend to receive the bits and pieces—the scraps. In 1997, 53 per cent. of the national turnover in bus revenues went to three companies: Arriva plc, FirstGroup plc and Stagecoach Holdings plc. In a submission to the Transport Sub-Committee of the Select Committee on the Environment, Transport and Regional Affairs, Stagecoach Holdings pointed out that it

"is the UK's largest integrated transport company, with interests in bus, rail, tram, ferry, road tolling and airport services in eight countries. Stagecoach's UK bus operations stretch from the Scottish Highlands to the South Coast of England and account for 16 per cent of the UK bus market."

Everyone is aware of the ruthless competitive techniques employed by Stagecoach in order to acquire its bus empire. In its report on tendered bus services of 28 July this year, the Transport Sub-Committee concluded:

"we are very concerned that the market dominance of the major transport groups and the existence of monopolies, possible cartels and other anti-competitive practices are diminishing competition and are also driving prices higher."

Before deregulation, north-east Derbyshire was well served by publicly owned bus companies, Chesterfield Transport and the south Yorkshire passenger transport executive, with a policy of cheap fares that was a credit to the area, and which fed into the provision of services in my constituency. People who write to me look back to that time as halcyon days for bus transport in our area, compared with current provision.

I shall deal mainly with Stagecoach, although I shall mention other companies. Typical of past complaints that I have made to Stagecoach East Midlands is my letter of 23 September 1997, in which I stated:

"I have received complaints from constituents about the standard of your service on the number 51 bus route, between Danesmoor and Chesterfield.

It is claimed that the service provided fails to match-up to timetable commitments and that at times a promised 20 minute service is lucky to operate hourly."

Initially, I received a holding reply. An investigation was supposed to be taking place, but I believe that the company apologised for not fully completing it. On 3 February 1998, I received a final reply to my letter. Stagecoach said:

"in order to keep you up-dated on events I can report that several changes have now taken place on the service 51/52 and this has been mainly to do with the way in which we work a driver and a bus."

The main change mentioned was as follows:

"In basic terms we have provided drivers with sufficient 'lay-over' time in Chesterfield at the end of each journey from Clay Cross such, that if they experience late operation due to traffic congestion then ample compensation exists (as much as 20-25 minutes in some cases) and thus the driver has enough time to operate 'his' next journey from Chesterfield on time."

The drivers of Stagecoach buses would be astonished by that statement. Later I shall describe the problems that they have in meeting the times stipulated for their journeys.

I recently checked with one of the complainants who had prompted my original letter, to find out whether things had picked up in the two years since I had taken up the matter. She says:

"After your letters to Stagecoach the service did appear to improve for a while but soon returned to the poor service which we received before.

I am totally dissatisfied with the lack of regular buses on this route.

Spending many a moment waiting at the bus stop in the hope of a bus arriving on time or even at all I have spoken to many people about the service and it has replaced the weather as the general topic of conversation."

She concludes:

"The general opinion seems to be that Stagecoach are so big that they can do what they like."

I hope that that does not prove to be the case, and that this debate prevents it from becoming so.

In late August 1999, I received two detailed complaints from constituents—one about route 79, from a constituent who lives in Barlow, in a rural area, and the other about route 44, from a constituent in Coal Aston, which is at the end of a more urban area.

I decided that there would be little use in raising the issue again with Stagecoach East Midlands, so I started to complain to a wide body of people. I wrote to the Minister for Transport, to the traffic commissioners, to the National Federation of Bus Users, to Stagecoach's headquarters in Perth as well as its east midlands office, and to Derbyshire county council about the sponsored services that Stagecoach runs on its behalf. I had previously been in touch with the council many times in connection with such complaints.

I also issued a media release and wrote two articles in the local free newspapers, covering about 40 per cent. of my constituency. As a consequence, I received 76—often detailed—letters, complaining about specific Stagecoach services. They included two petitions, two complaints from parish councils, one from an estates committee and one from a school. It might be felt that if the MP issued a press release and engaged in publicity, he was engaging in stimulating complaints; but the thing that—apart from my own experiences—shows me that the complaints are genuine is the fact that they come from such a wide range of communities throughout north-eastern Derbyshire. There are hardly any collections of letters from specific areas. The complaints refer to different areas, different provisions and different routes, although in some cases they deal with long bus routes that pass through several communities.

I received 76 complaints about Stagecoach, six about First Mainline's services and one about the Trent bus service, which is one of the smaller operators in the area. On the other side of the coin, I received two letters praising Thompson bus services in Dronfield. Many of the letters complaining about Stagecoach and First Mainline point out that Thompson's services compare fantastically with those provided by Stagecoach. One letter has praised Aston Express services, and three other letters are of great interest in that they clearly point out that the drivers are not to blame for the problems. Those letters were not written by bus drivers, so they make an important point.

I met the Transport and General Workers Union branch of bus drivers at the Chesterfield depot and I met the RMT branch at Hollingwood. Although RMT is a rail union, it organises bus drivers and I attended a full and vigorous meeting with its members. They told me—and they showed me—that they have terribly unrealistic time sheets that do not allow them turn-round times and that they are under terrible pressure to meet their targets. One driver told me that the company expects him to be a racing driver, not a bus driver.

Complaints were made about the training at Stagecoach. Drivers have to pick up passengers on routes that they do not know. No other bus driver is present to show them the way and they are handed a sheet to tell them where they should turn. The drivers at the trade union branch meeting scathingly described those time sheets as "idiot sheets".

The problems have been described in a letter from a constituent who pointed out that, in rural areas, services are provided only at hourly or two-hourly intervals. This case involved an hourly service. One bus did not turn up, and people had to wait for the next one. The next driver was new and did not know the way. He took some wrong turns—passengers often have to tell drivers that they have gone the wrong way—and arrived 20 minutes late. That meant that the passengers had to wait one hour and 20 minutes. Their frustration was then taken out on the driver, who was himself frustrated because he did not know the route well and now had to face a group of angry people. It is little wonder that there is a great turnover of drivers.

I have met representatives of Stagecoach East Midlands and given them all the 76 complaints that I have received. To date, 73 replies have been received by my constituents and I have been given copies. I send each copy to the traffic commissioner who has already received copies of my constituents' original letters.

The complaints take three forms. First, on numerous occasions, buses do not turn up. It is common for a bus to be missing entirely. Secondly, buses arrive extremely late for some of the reasons that I have described. Thirdly, buses may miss out areas altogether, so people may be waiting for buses that are running but which have not turned up at a particular stop.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McNulty.]*

Mr. Barnes: A driver may ask, "Is there anyone on the bus for Arkwright?" If no one replies, the bus will miss out Arkwright, and the people who are waiting at Arkwright will not be picked up.

[Mr. Barnes]

Connections can be missed. Much of my constituency is rural, and in rural areas the waiting period for a bus may be up to two hours. If a connection is missed, the wait for the next bus will be an hour or two. In rural areas where there are no facilities, people can do nothing but stand at the bus stop, which may be uncovered, and wait for the next bus to arrive. Passengers have to resort to using expensive taxis to get to hospital appointments or to work. People fear that they will be late if they use the bus because it has made them late on other occasions and they have worried about keeping their job.

I am told that when people ring up Stagecoach, they receive poor responses to their complaints because there is no link to the buses and no feedback, so no one knows what is occurring or what the problem is. Some people receive apologies, especially if they write in, and they may be sent mega-tickets that allow them free rides over a day or a week. That does not impress my constituents because they want improved bus services, not free rides on buses that may not turn up or may be late. People complain also about the poor quality of the buses and about breakdowns, which account for some of the problems that I have mentioned.

I have touched on some of the drivers' complaints, but I shall restate them. They complain of unrealistic timetables, inadequate meal breaks, demands from the company for what they see as excessive hours, not enough rest from work and traffic regulations that are ignored by the company or dealt with inadequately. There is also the problem of inadequate training, which I have explained.

I have received responses to various representations. On Stagecoach, I have heard that the traffic commissioners are in the neighbouring area of Mansfield. Stagecoach has brought in extra drivers and buses from Scotland to try to handle the situation, which may be spilling over into Chesterfield and its surroundings, the area that I am concerned about.

Stagecoach at Perth has not yet responded to my request for a meeting. Initially, it suggested a meeting and I asked it to wait until passengers had complained in full, but I said that I would meet Stagecoach East Midlands in the meantime. When I wrote back a few weeks ago, requesting a meeting to be held in the Commons, perhaps involving MPs with neighbouring constituencies, Stagecoach did not respond.

The response of the traffic commissioners is that they have called Stagecoach for an interview. They have issued it with a formal warning in the Mansfield and Chesterfield area, and they will continue to pay attention to Stagecoach. That interest has been extended to First Mainline, to which a number of complaints have referred, although not in as much detail as the complaints about Stagecoach.

I have received a letter from the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Streatham (Mr. Hill), pointing out that the traffic commissioners have been contacted by his Department and that operators have recently lost registrations and licences in Cambridge and Bristol. I believe that Stagecoach was involved in Cambridge.

The county council's public transport manager has met Stagecoach East Midlands and is pressing for reliable services. The National Federation of Bus Users cannot follow up collective complaints, but I have an option of pushing 83 individual complaints if things do not get better.

What am I after? In the short run, I want buses to meet their timetables in some reasonable way. I recognise that there are some serious traffic problems in the Chesterfield area. Transport moving through Chesterfield from east to west faces considerable problems, but timetables need to be realistic and take those problems into account. Drivers should have a fair and reasonable opportunity to meet them.

The traffic commissioner has powers to fine a company such as Stagecoach 20 per cent. of its eligible fuel rebate. The problem is that the provision applies to the entire company, so the situation is different for large and small companies. Given the seriousness of the problem, I hope that such a fine on Stagecoach will be considered.

The traffic commissioners can enforce the running of services according to registered specifications. Those powers must be fully used and they might need to be added to so that they operate properly. If Stagecoach cannot deliver, having been given a reasonable opportunity to adjust the standard of its services, it should cease to be a provider in our area. The county council needs to consider its contracts and decide whether rural areas are being properly served by the company.

In the long run, I should like strong legislative measures. I hope that the forthcoming transport legislation will introduce strong regulation and will give priority to buses through the establishment of bus lanes and other measures. I hope that we can return to publicly owned public transport provision in many areas. In 1985, 75 per cent. of the turnover was through public service bodies that were owned publicly. By 1997, that figure had dropped to 7 per cent.

I have two further points. We are moving towards a national concessionary fares scheme, provided for in the July 1998 White Paper. That cannot achieve its objectives unless buses turn up on time. Elderly, infirm or disabled people are placed in the greatest difficulties by the problems with bus services in my area, but young people are also affected. One of the complaints came from a school. I have been to three schools recently on a UNICEF initiative to enable children to tell their opinions to their Member of Parliament. The problems of bus services were raised each time, which shows that it is a common topic of conversation and worry for many people. For the elderly, the north-east Derbyshire experience shows the importance of national concessionary fare schemes and their delivery and operation.

Secondly, we need a better procedure for handling complaints. The National Consumer Council is pressing for this and makes that point in its document "Better Buses". The system should tackle the regulation of complaints. Members of Parliament should have an interest so that they can feed material in, but they should not have to mobilise a campaign, forward many letters from constituents to all the appropriate authorities, and get an Adjournment debate to set things right.

Parliament should pass legislation that enables such things to be done fairly automatically through a self-regulating system into which people feed their own ideas. The job of the MP should be to keep an eye on things to ensure that they function properly. I find too

often that they have to be expert deliverers and office staff in connection with all sorts of problems apart from buses, such as the Child Support Agency and benefit provision. Legislation needs to set up the right systems so that things work well.

7.11 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Keith Hill): As is usual, I congratulate my hon. Friend the Member for North-East Derbyshire (Mr. Barnes) on securing this debate. I also thank him for his courtesy in giving me notice of the main issues that he wished to raise. Finally, I express my solidarity with him as a fellow non-driver and regular bus user.

My hon. Friend described the north Derbyshire picture. It has urban centres in Chesterfield and other, smaller towns. Mansfield in neighbouring north Nottinghamshire is looked to for some facilities and there are extensive stretches of countryside. The uneven distribution of population, employment and facilities means that good planning is essential for the successful delivery of public transport services. It is disappointing if planning and delivery in the area are not adequate.

Most of my hon. Friend's concerns relate to Stagecoach East Midlands operations. He also referred to First Mainline, another operator in the area, but its services should improve as replacement of its vehicles is completed. Its routes have also been affected by redevelopment work in Chesterfield town centre that will not be completed for some time. I understand that, in the meantime, the company is doing what it can to minimise disruption.

Stagecoach East Midlands enjoys good relations with the local transport authority, Derbyshire county council. However, there have clearly been shortcomings in its performance in north Derbyshire. As my hon. Friend said, on 1 November, the traffic commissioner issued Stagecoach with a formal warning about failure to operate local bus services in accordance with registered particulars, and has told it that further formal monitoring of services will take place at Mansfield and Chesterfield in the near future. The commissioner has powers to impose fines on operators by repayment of fuel duty rebate, to place restrictions on running services and, ultimately, to revoke a company's operating licence. Those are powerful sanctions, so it is much in the company's interest to respond positively and comprehensively.

It is only fair to add that when my hon. Friend raised the company's performance, and before it attended its formal interview at the traffic commissioner's office, it was already carrying out its own review of local services and discussing proposals for improvements with Derbyshire county council. It had not yet implemented all the changes, but was at least responding positively to its own recognition of the need for better service. I welcome that fact as an indication of professionalism in the industry and in that particular company, but it has been salutary for my hon. Friend to raise the profile of this subject. I am sure that the company will welcome the fact that improvements that it makes will gain more effective local publicity as a result of my hon. Friend's keen interest.

My hon. Friend has detailed a wide range of problems voiced by the Stagecoach work force. Clearly these give serious cause for concern. The company itself will be the party most concerned of all, and I trust that it will want to do all it can to address the problems, working closely with all employees.

In the Government's view, Derbyshire county council has played a constructive part in attempting to sort out the recent problems. The authority takes its transport responsibilities seriously and expects to spend about £2 million this financial year on loss-making bus services that are socially necessary. Derbyshire has built positive working relationships with the bus operators and appreciates their co-operation in providing services in rural areas, even though that may have led some companies to overstretch themselves. That may be a factor behind some of the recent difficulties.

Serious efforts are under way to improve bus services, but ultimately, only if the current failings are fully addressed will we have any reason to consider the job well done. This is not a time for complacency. We all want an improvement in bus services in north Derbyshire, not least because of their importance for the integrated transport approach that the county council wants to pursue through its local transport plan. Local transport plans have been introduced this year as the basis for Government funding for local transport priorities. The extra £700 million, provided over three years through local transport plans, is enabling the Government to redress the underfunding of transport that the previous Government permitted.

The Derbyshire local transport plan, like those from the other local transport authorities in England, was submitted to my Department some weeks ago and is under detailed consideration. When that consideration is completed, we shall announce the Government's transport funding allocations to authorities. Until then, it would be premature to comment on the Derbyshire plan in any way that might pre-empt that process. However, I can say that the plan envisages significant improvements to bus services through the development of bus quality partnerships, of which there are now 130 across the country. The Government endorse the concept of bus quality partnerships and have been pleased with the encouraging results that they have produced in areas where they have already been developed. They are typically increasing bus patronage by between 10 and 20 per cent., and in some cases by more.

I see no reason why similarly good results should not be achievable in north Derbyshire, and I am sure that Stagecoach East Midlands and other operators, together with the county council, will want to give the concept careful consideration. Bus companies in other areas can affirm from experience that bus quality partnerships bring benefits to operators as well as to passengers. A statutory basis for bus quality partnerships will be established in the forthcoming transport Bill.

There are unparalleled opportunities for public transport in the positive climate that the Government have fostered. Awareness of the benefits of using public transport has risen sharply over the past couple of years, with the Government responding to the trend and stimulating it further through proactive policies to develop an integrated transport system that is safe, efficient, clean and fair.

Government support for rural buses—an extra £170 million over three years—has already resulted in 1,500 new or enhanced services across the country.

[Mr. Keith Hill]

Derbyshire county council has been awarded £714,000 a year for each of the three years, and is using that on provision of new services. That is in addition to the county council's success in the rural bus challenge 1998, through which £800,000 was made available to develop public and community transport provision in the south of Derbyshire. The outcome of this year's rural bus challenge bids will be announced by the end of the year.

The bus is a particularly flexible and accessible mode of transport. Buses are a lifeline for many people, who, without them, would experience limited and disadvantaged lives. I am glad that, after 50 years of decline, bus patronage is now increasing. When I speak to bus operators, I find that they are generally optimistic about the future of their industry.

Last week, at the first ever bus summit, my right hon. Friend the Deputy Prime Minister acknowledged that most of the industry was rising to the challenges involved in modernising British bus travel. The follow-up to last year's transport White Paper—the first White Paper on that subject for 20 years—included a document devoted to buses. Its title, "From Workhorse to Thoroughbred", employs a metaphor drawn from another mode of transport, but it sends a clear signal in regard to how the bus industry is transforming both its operations and its image.

That does not mean that there are no problems. Fifty years of decline cannot be reversed overnight. The bus industry has seen many lean years of underinvestment by both the public and the private sector; passenger confidence has declined, as has the public image of bus transport. Pressure on resources has presented local authorities with hard choices about which bus services to support, and the resulting decisions have meant a reduction or withdrawal of services in some areas.

The problems are being solved, however. Private investment in the bus industry is now 80 per cent. higher than it was five years ago. In the last financial year it reached £300 million, much of which was spent on new vehicles with improved passenger access. Local authority investment in bus lanes and other priority measures is increasing, because my Department's support for local transport packages is almost 60 per cent. more this year than it was last year. At the bus summit last week, we announced new national targets for bus reliability and investment, and new arrangements to make operators more accountable to passengers. The transport Bill will contain further measures to help deliver the service that bus passengers deserve, thus meeting the commitments in our manifesto and our White Paper.

This improving climate is widely welcomed by local authorities, transport operators, user groups and many sections of the public. It provides a good basis for resolving the current difficulties and enhancing services further to benefit the north Derbyshire travelling public.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Seven o'clock.

House of Commons

Friday 26 November 1999

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Government Support for the Arts

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McAvoy.]*

9.33 am

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): I warmly welcome the opportunity for a debate on Government support for the arts. In the bad old days, one or two Conservative Members questioned the principle of Government support for the arts. They were wrong. I trust that nowadays, no hon. Member would not accept readily that, in a civilised society, the Government have a responsibility to support artistic and creative work. There are several reasons for that.

The arts are central to our understanding of ourselves, our society, our relationships and our future. They provide enjoyment, solace and a lift to our imagination—that should be sufficient reason for the Government to take an interest and support them. However, there are other reasons for supporting the arts: we cannot achieve excellence in many art forms without the support of public funds; innovation is often not economically viable without subsidy; artistic excellence should be available to the greatest number of people; and there should be a good geographical spread to ensure that all parts of the country have access to that excellence and that it is not concentrated in one or two centres.

We also need to recognise and celebrate the cultural diversity of our country. Government support for the arts enables the widest pool of talent to be trained. That, in turn, helps the commercial sector—for example, many actors who begin their work in the subsidised theatre become stars of stage and screen in the commercial sector. The arts also assist with education: they help to broaden horizons and build self-confidence. In addition, they contribute to the country's economic health by accounting for a large part of the creative sector of our economy. Therefore, for a host of reasons—excellence, access, diversity, training, education and the economy—Government support for the arts is important and I am proud that we have been able to improve on previous performance.

The starting point has to be the fostering of excellence. That has nothing to do with exclusivity; we simply want audiences in this country to have the best—they deserve nothing less. I was pleased that the Arts Council of England has put in place a funding package for regional and London orchestras, helping to wipe out historic deficits, to put orchestras on a sound financial footing and to ensure that the great orchestras of this country can survive and thrive in future.

The Arts Council is conducting a similar review of regional producing theatres, many of which are in considerable financial difficulty. Many of them have also been the seed bed for talent that has formed part of the fabric of London theatre, television and film. Regional theatres are important for what they can do for the whole landscape of the arts around the country, as well as for their towns, cities and regions. Therefore, I am pleased that the Arts Council is now seriously considering regional theatre because its excellence should be fostered.

I am also pleased that the Arts Council is placing new emphasis on support for innovative work. One of the fundamental roles of the arts is to challenge our preconceptions. Some innovations will inevitably take us to places where we do not necessarily wish to go. However, that is part and parcel of art: it challenges us and, rightly, it will sometimes try to provoke us to react.

Access constitutes the other major theme of our policy for the arts in the past two and a half years. We want to ensure that, while we foster and support excellent work, the greatest possible number of people have access to it. There are many ways in which that can happen. Some initiatives that have been in place for some time—long before we came to office—have shown the way. For example, the Tricycle theatre in Kilburn has a long tradition of accessibility to people who might not otherwise have the chance to see live theatre. It has ensured that work by artists from minority communities can be performed. It has developed an innovative "pay what you can" night once a week, when people can come to the theatre and pay what they can afford rather than the normal price of a ticket.

During Hamlyn weeks, most recently at the national theatre and now about to take place once again at the Royal Opera house, tickets are made available at £5 per person to a wide variety of organisations that would not normally think about arranging visits to the theatre or the opera. By successfully drawing into the theatre or concert hall people who have never been before, giving them an experience that inspires them to come back again in future years, the Hamlyn weeks have been an important and effective way of developing new audiences.

A good deal of work has been pioneered around the country on broadening access to the arts, and we have attempted to develop it further. The two main Sheffield theatres have been running a major project since last autumn, funded by the Arts Council's new audiences fund, examining how ticket prices act as a barrier to attending the theatre. They have experimented with ticket pricing and discounting schemes across a broad range of theatre performances. A key aim of the project is to broaden the audience and attract a significant number of new people to the Sheffield theatres. The experiment will tell us a lot about the interaction between ticket prices and attendances at the theatre and how we can best draw into the theatre people who have never been before. Let us not forget that about 50 per cent. of the population of this country never go to a theatre, a concert hall or a museum from one year to the next. Reaching out to that 50 per cent., drawing more of them in and giving them the opportunity to experience what the arts have to offer, has to be central to any sensible Government policy.

We are trying to develop that principle in many other ways. There is a particularly innovative scheme in Cumbria, when the English National Ballet performs in Barrow-in-Furness, to provide transport for people from

[Mr. Chris Smith]

outlying rural communities to enable them to get to the theatre, experience the arts and get home afterwards. Accessibility is not about pricing alone, but about the physical ability to attend the theatre.

As well as wishing to broaden access as far as we can, we have also identified the way in which arts projects can often help to tackle problems of social exclusion, particularly in rundown neighbourhoods in poorer areas. The work of the Hartcliffe boys dance company in Bristol is an obvious case in point. The Hartcliffe estate in south Bristol houses about 17,000 people. For years it was written off by the outside world as a place where nothing happened. Suddenly, through the inspired leadership of Vic Ecclestone, teenage boys on the estate have been introduced to the world of modern dance, helping to transform their lives and the life of the entire estate.

The Hartcliffe dance company has about 40 boys from the estate who show up week after week to dance, to work with professional choreographers and to perform. Their self-confidence has grown as a result and their educational attainments have also improved. One of the strong lessons that we regularly learn from such cases is that as pupils begin to get involved in art, drama and music, their academic performance in other subjects improves as well. Following his work with the Hartcliffe dance company, Vic Ecclestone has gone on to set up Multi A—an organisation that aims to serve the needs of young people across the whole of the Bristol area.

Another extremely good example of the way in which arts can help to combat the problems of social exclusion is the Beacon Look Ahead hostel for homeless men and women in Aldgate in the east end of London. Three years ago the hostel was in appalling condition. The furniture had to be literally nailed to the floor to prevent it from being removed or damaged. The neighbouring primary school had a constant stream of broken bottles thrown into the playground from the windows of the hostel. Since an arts project was introduced to the hostel and the residents have become involved in creating art, painting murals and designing furniture, the nature of the establishment has changed. It is now in pristine condition and the residents work with the pupils at the neighbouring school on developing new arts projects. When I visited the hostel a few months ago, some of the homeless men and women resident there put on a dramatic performance of a play about homelessness that they had written. It was up to the standard of many professional performances that I have seen.

All those examples show the work that can be done on tackling the problems of people who have been excluded from the mainstream of society, by using artistic and creative activity. That work can improve lives and whole estates or establishments.

Mr. Denis MacShane (Rotherham): I hope that my right hon. Friend joins me in deploring the absence from the Opposition Benches of representatives of the most philistine party in Europe. He has not yet referred to poetry. The great contribution of our country to European culture has been poetry, plays and parliamentary democracy. My right hon. Friend's doctoral thesis was on Wordsworth: bliss was it in that age to be alive and to be young was very heaven. Will he acknowledge the immense contribution of poetry in helping many of the excluded and also people living by themselves? As a contribution to encouraging poetry in this country, will he consider setting up a page on the Department's website that would allow all the poets of Britain to pour their poetry into the Department and allow us all to read all the wonderful poems that are written day and night and do not get the airing that they deserve?

Mr. Smith: I hesitate to correct the quotation that my hon. Friend gave, but the passage from "The Prelude" reads:

"Bliss was it in that dawn to be alive,

But to be young was very heaven!"

My hon. Friend's central point is important. We ought to encourage the writing of poetry by people who would not necessarily think about trying to make a career of being a poet, at which very few people succeed. I am pleased that the Arts Council has devoted more resources to the support of literature, writers and poets. Andrew Motion is doing a splendid job as the chairman of the Arts Council's literature panel. I warm to my hon. Friend's idea of an internet page that could be used as a forum for poetry and I shall consider whether it can be taken forward.

As well as helping to tackle social exclusion, the arts can have a profound educational benefit. I shall say more about that later. Education is crucial in ensuring that we have the artists and audiences of the future. I am pleased that we were able to establish the National Foundation for Youth Music with national lottery funds. The foundation aims to ensure that young people throughout the country have a chance to learn to play music and to sing. The decline in the availability of musical instrument teaching over the past 20 years or so, especially in the state sector, is extremely disturbing, and I hope that our work will help to reverse it.

Mr. Peter Ainsworth (East Surrey): Unfortunately, there is anecdotal evidence to suggest that now that the National Foundation for Youth Music is providing funds for musical tuition, local authorities are apparently taking the opportunity to reduce their own funding.

Mr. Smith: That should not be happening, because the Department for Education and Employment has provided an additional £150 million through the standards fund. That money is ring-fenced so that local education authorities can support musical education in schools. The Department is ensuring that the money is not a substitute for local authority support, but makes real opportunities available to pupils. Obviously, we would be concerned if certain authorities sought to reduce their support because of the provision of better Government funding, and I am sure that my right hon. Friend the Secretary of State for Education and Employment would wish to follow up such cases.

The existence of a thriving arts economy helps the general economy, as well as bringing beauty and inspiration to us all. The creative industries—music, films, publishing and the performing arts, for instance—which depend on the creation of intellectual property for their added value are worth more than £60 billion a year to the national economy. Overall, they are growing at about twice the rate of the growth of the economy as a whole. We as a Government must ensure that those

industries are given enough support to enable them to thrive. Government should not be in the business of creating art, but Government can try to ensure that the conditions are right for art and creative activity to flourish.

That is why we need to ensure that there is proper international copyright protection, especially in this digital age: intellectual property must be protected. It is also why we need to look at the way in which export assistance is provided. I was pleased that we were able, a few weeks ago, to publish a report by the Creative Industries Export Promotion Advisory Group. We also need to consider ways in which the formal education system can assist and how to ensure access to venture capital for small creative businesses.

Against the background of those aims and principles, the Government have achieved a great deal during the past two and a half years. I believe that much of what we have done is of major benefit to the arts. I am thinking particularly of the funding settlement that we provided after last year's comprehensive spending review, which involves an increase of £125 million for the arts and £99 million for museums and galleries over the next three years. That is the biggest ever increase in funding for cultural activity provided by central Government, and it contrasts starkly with the record of the last Government, under whom arts funding fell by 11 per cent. in real terms between the 1992 and 1997 general elections, from £208 million to, at its lowest level, £184 million.

Mr. Ainsworth: The Secretary of State is choosing his figures carefully. We all know that the 1992 figures reflect what is commonly known as the "Mellor splurge", which was very welcome in the arts world. If the Secretary of State looks at the whole of Government support throughout the years of Conservative administration, he will see that in real terms it increased by 35 per cent.

Mr. Smith: I am afraid that, even at the time of the "Mellor splurge", the figure for the lead year was £208 million. Thanks to the increase that we have provided, we have achieved that figure again this year, in real terms, and in two years' time it will have risen to £220 million. If the hon. Gentleman does not believe me, I can show him a nice graphic which makes my point very clearly.

Mr. Ainsworth: I love graphics, but I prefer the truth. There is genuine confusion over the arts funding figures. As I shall say in my speech, there are all sorts of figures flying around. However, I have here a table prepared by the Arts Council, which suggests that in 1993-94 funding reached a peak of £225.8 million.

Mr. Smith: I think the hon. Gentleman will find, if he looks at the figures for 1992 and the ensuing years on a real-terms basis, that the equivalent to the £208 million that I cited for this year was £207 million in 1993.

As well as providing that increase in arts funding, we have made a firm commitment to providing a one sixth share of lottery funds for the arts—from the good causes fund—over the next 10 years at least. That will provide a solid foundation for planning. We have also created a new audiences fund to enable more people to experience the arts through cheap ticket schemes, vouchers for students, transport in rural areas, touring grants and schemes to enable schoolchildren to take empty seats at performances.

Together with the Department for Education and Employment, we have established arrangements worth £19 million to enable dance and drama students to obtain proper grants and assistance so that they can undertake courses at accredited institutions. We are removing the difficulty that existed for the previous three or four years, during which lottery funding was used as an inadequate stopgap to deal with the crisis that had developed.

Mr. Ainsworth: The Secretary of State is being generous in giving way to me, but I must tell him that the problem for dance and drama students has not been solved. If it had been, the Foundation for Sport and the Arts would not have been called in to help tide things over and to bolster the creaking structure of Government funding. The foundation is deeply concerned about the position: it is not sure that it will be able to sustain its current commitment to funds for dance and drama students.

The headlines may say that the Government have solved the problem, but that is simply not the case. The truth is that many dance and drama students are still not obtaining places, and they face a very uncertain funding future.

Mr. Smith: First, it was thanks to the changes that my right hon. Friend the Chancellor of the Exchequer made to tax treatment of the pools that the Foundation for Sport and the Arts has been able to continue its extremely valuable work in the past year—and will do so into the future.

Secondly, the September intake of dance and drama students under the scheme that we established was 830—10 more than we envisaged when the scheme was announced.

Perhaps the hon. Gentleman was getting at the fact that, since the scheme is about securing places on accredited courses at accredited institutions, institutions which are not accredited may well not form part of it. The scheme was designed particularly for centres of excellence in dance and drama tuition. Those 830 places are now filled, and students are benefiting directly from the measures that we put in place.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): Will the Secretary of State say whether all the students in England and Wales who were offered places at such accredited institutions for accredited courses were able to take up the places offered as a result of the additional funding?

Mr. Smith: The right hon. Gentleman may have identified one particular problem—which is that, although higher education students were able, once they obtained an accredited place, to have access to student support arrangements for maintenance and subsistence that were available generally to higher education students, such access was not necessarily available to further education students. After the first few weeks of the scheme's operation, it became apparent that there was a problem in student living support for further education students who had been helped by the scheme to obtain places and to fund tuition costs.

[Mr. Smith]

We recognised that there was a problem, and we have taken action to deal with it. I am pleased to be able to tell the House that we have agreed, with the Department for Education and Employment, to provide additional funds to help further education students with their student living expenses as they take their places on those accredited courses.

The increase is necessary because awards to accredited places have attracted considerably more talented students from lower-income families than ever before. Over 20 per cent. of this year's intake of further education students on dance and drama courses on the scheme are from lower-income families—which is a direct result of the policy shared by my right hon. Friend the Secretary of State for Education and Employment and me, to ensure that access to those courses is based on merit alone. I am delighted that the scheme is drawing from all parts of society.

The initial hardship fund that was established as part of the scheme when we first announced it was not sufficient to cope with the unprecedented demand. Therefore, the Department for Education and Employment has now increased the fund, to increase awards by up to £2.6 million. Consequently, there will be an increase of up to 300 per cent. in funds available to individual students, with up to £3,000 of student support being available to some. Interim arrangements will be available to students on the current intake, and the increases to them will be paid before Christmas.

Additionally, I am delighted to repeat that we have established the National Foundation for Youth Music. The aim has to be that—with the additional £150 million from the DFEE—every child has the chance to learn to sing or play a musical instrument.

We have provided funds so that, from April 1999, every child has been able to go to all our national museums and galleries for free. From next April, every pensioner will be able to do the same. From the year after that, still wider access provisions will be made.

We have introduced a £15 million fund for the 43 designated museums across England—museums which have a collection of pre-eminent worth but which until now have been ineligible for central Government assistance. We have ensured that they now are eligible.

We have ensured that the provisions of the new deal are appropriate to the needs of young musicians wishing to seek a career in music. With the DFEE, we have insisted that art, music and drama must remain a statutory part of the national curriculum.

We have established the national endowment for science, technology and the arts, to provide a national fund to support talented individuals.

We have created substantial incentives for film making in Britain—with new tax reliefs; the ending of the Channel 4 funding formula; a new, agreed skills investment fund for training in the industry; the establishment of a British film office in Los Angeles; a new definition for British film; and the establishment of the new Film Council.

We have also consistently emphasised the crucial cultural importance of the BBC, and the need for it to operate as a true benchmark of quality in broadcasting.

All that has been done in the past two and a half years, and it is a record in which I take a little pride.

I pay warm tribute to Gerry Robinson and Peter Hewitt for their work in modernising the Arts Council. I regard the Department's relationship with the Arts Council as a partnership, with agreed objectives for the arts, but with the council itself responsible for individual funding decisions and strategies. As a result of the changes that they have made, bureaucracy has been substantially reduced. By the end of this Parliament, they will be saving £2 million in running costs for the overall arts funding system, against a 1997-98 baseline before restructuring started. Every year, therefore, £2 million will not have to be spent on administrative overheads but may instead be spent on supporting the arts directly.

The Arts Council is devolving decision making, both for grant in aid and for lottery funds, to the regional arts boards, to bring decisions closer to those most affected by them. Although initiated and led by the Arts Council, the process of delegation chimes well with the Government's own emphasis on the importance of regional decision making.

The Arts Council has also established a new set of strategic priorities, including new work; experimentation and risk; the centrality of the individual artist; new art forms, often using new technology; cultural diversity; social inclusion; children, young people and lifelong learning; and touring and distribution. Those priorities dovetail well with the Government's own objectives for the arts.

I should like to mention one sphere in which we have worked closely with the Arts Council, and in which I think we have arrived at a successful outcome which a few years ago no one would have dreamt was possible; I refer to the Royal Opera house, which is to have its formal gala opening next Wednesday. I am delighted that, after several years of doom, gloom, uncertainty and disharmony, the Royal Opera house is finally ready to take its rightful place at the heart of London and the nation's cultural life.

The reopening of the building on time and on budget has been a fantastic achievement by everyone involved in the development. I pay particular tribute to the work of Sir Colin Southgate and his board, Vivien Duffield and her fundraising team, and Michael Kaiser and staff at the Royal Opera house for realising the achievement.

Mr. Peter Ainsworth: May I take this opportunity to endorse what the Secretary of State has just said? When he attends the royal gala next week, will he be wearing black tie? I understand that he has some reservations about the dress code for that occasion.

Mr. Smith: The hon. Gentleman should not believe everything that he reads in the newspapers. I will indeed be wearing my dinner jacket and, for a gala occasion, I see no reason why not.

I want the Royal Opera house to stand for the highest standards of excellence, with access for the widest possible audience. It should be a central part of—and not apart from—the artistic community. The open building, which the general public will be able to walk through; free chamber concerts at lunchtime; lower ticket prices; a much-expanded education programme; free events generally; improved access for people with disabilities;

the elimination of the deficit and the introduction of proper financial planning all point to a healthy future. The opera house will be a place where world-class opera and ballet will be accessible by everyone.

Lyric theatre in London can now face the future with optimism, with strong performances at Covent Garden joining those at the Coliseum and Sadler's Wells. With all three houses pursuing the key objectives of excellence, access and education, the prospects for lyric theatre in London have never been better.

Nationally, the picture is equally strong, with Opera North, Welsh National Opera, Glyndebourne Touring Opera, Birmingham Royal Ballet and English National Ballet taking first-class opera and ballet across the entire country.

I said earlier that I would refer to the importance of the arts in education. I have mentioned some measures that we have taken to ensure that young people have access to music tuition and training in dance and drama. We are gradually reversing the decline of the past 18 years and ensuring an entitlement to participation in the arts for young people. However, we also need to ensure that children are equipped with the skills to understand, appreciate and analyse the arts. It is a process of participation, along with understanding and enjoyment.

Recently I was at Millbank primary school for the launch of Vivien Duffield's innovative Artworks scheme and I was struck—as I always am on such occasions—by the joy that the pupils got from art. Every child loves drawing, painting, music, dancing and acting. Those art forms define the nature of children's play, and children engage in them without inhibition, freely and openly, on a pure aesthetic level, free from anxiety about how they are perceived and from peer pressure.

What happens to those uninhibited, open children? What does society do—or not do—to make them feel more embarrassed about the arts as they get older? When does the creativity begin to hide itself? Can we ensure that participation in and appreciation of the arts can survive and be enjoyed again openly and in an unembarrassed fashion as children grow older and become adults? Research evidence suggests that those who acquire the habit of attending arts events as children are more likely to continue as adults. Such people know how to find out about the arts; they know where to go and what they like and do not like. They feel comfortable with the arts and they go with their friends. They know what to expect for their investment of money and time and they know the language. In other words, they are culturally literate.

I want everyone to be culturally literate. That does not mean compelling people to "do culture", but as the Government are spending taxpayers' and lottery players' money on the arts, they are morally obliged to ensure that everyone can make an informed choice. If people decide, in a hugely competitive leisure market, that the arts are not for them, that is their choice, but we must try to ensure that no one rejects the arts through lack of understanding or opportunity. Addressing human physical needs is one of the primary responsibilities of government, but we must not ignore the needs of the human spirit, especially in young people as they grow to maturity.

There are a number of ways in which we can help. I am delighted that the revised national curriculum has strengthened the position of the arts, with the reinstatement of programmes of study for all subjects in the primary curriculum, including arts subjects. The requirements for teaching the arts have been clarified. For example, in English the place of drama and of media and moving image texts is stronger than ever.

The revised national curriculum underlines a commitment to engaging children with artistic excellence, from Shakespeare to Seamus Heaney and from Jane Austen to Derek Walcott. There is provision to ensure that children are exposed to a breadth of artistic traditions and that they study works of other cultures. Teachers are being given greater flexibility to teach the arts creatively and explore ways of bringing the arts alive for children. The Qualifications and Curriculum Authority is preparing guidance and materials to help teachers to deliver arts subjects with greater confidence.

Teachers need to feel supported in their efforts to encourage cultural literacy. Next year the Teacher Training Agency will review the initial teacher training curriculum and look at ways to support continuous professional development.

The report of the National Advisory Committee on Creative and Cultural Education has contributed substantially to the debate and the Secretary of State for Education and Employment and I will be issuing a detailed response to its report. I pay particular tribute to Ken Robinson, who chaired the committee, and his team. A key element of our response will be the announcement of a further review of creativity and the arts in schools that the Government have asked the QCA to undertake. It will consider, among other things, the question of how we promote cultural literacy in schools.

The Government are encouraging partnerships between schools and the wider community to improve study support, including investing £205 million from the new opportunities fund and £78.5 million from the standards fund to promote imaginative and effective programmes in schools and in out-of-hours activities, from film clubs to pop bands.

All cultural organisations funded by my Department have educational aims. Arts organisations in receipt of public subsidy are required to contribute to the achievement of those aims in making use of the extra £125 million over three years that we are providing for the arts. They will be required to deliver a minimum of 200,000 additional education sessions.

I have already mentioned the fact that, since April, entry to our national museums and galleries has been free for children. I am pleased to say that, since May, the number of children visiting participating museums and galleries has risen by 22 per cent. In the same period, visits by children to the national maritime museum increased by 37 per cent. The figure for the museum of science and industry in Manchester was 28 per cent; for the Duxford air museum it was 14 per cent.; for the national railway museum in York it was 19 per cent; and this August the figure for children's visits to the science museum was 40 per cent. higher than it was at the same time last year. That is a clear demonstration of the success of our policy.

Two months ago I announced the forthcoming a national roll-out of an exciting new project called new generation audiences. The project links arts organisations and schools through the internet, giving schoolchildren the chance to interact with artists and others before and after they attend arts events, museums or sports events.

[Mr. Smith]

The project combines the best of traditional practice—visits by artists, or the holding of education sessions—with the best of new technology to enable schools to download and research information about productions; it is encouraging as much involvement as possible. Arts organisations that join promise to make blocks of unsold seats available at a discount, or for free. The project has been piloted to date in five boroughs, and the aim is to roll it out nationally from January next year.

That is just one of the many creative ways in which we are encouraging arts organisations and schools to work together. The new generation audiences project is part-funded by the new audiences fund set up by my Department and administered by the Arts Council. The fund supports numerous new and experimental ways of bringing people to the arts for the first time, or enriching their involvement with the arts.

Working with the Arts Council, I will aim to ensure that all subsidised arts bodies have an access policy for young people. That policy should concentrate on those children least likely otherwise to engage with the arts. It should always include some free or concessionary tickets, as part of a range of ways of attracting young people.

Children should not just be dropping into a theatre or a gallery for a one-off visit. They need to be encouraged to do so again and again, in childhood and in adult life. Their visits need to be enriched by educational material at the theatre or gallery, by specialist animators holding education sessions and by material they study before and afterwards.

We have made available £2.5 million to develop partnerships between schools and museums and galleries. Forty projects will be supported over the next three years to share good practice and to help develop innovation. A further £500,000 is to be spent on projects to be taken forward by area museums councils, working together with smaller museums to help them develop the educational services they can offer. We will shortly be publishing a strategy for education in museums and galleries.

That is just a flavour of the wide range of measures that the Government and their partners are driving forward to ensure that the present generation of children get the opportunities that others have missed. It is just a start on which we will continue to build, and we know that this is a long-term investment which may not bear fruit overnight.

The measure of our success will be not only that our creative industries will continue to grow and be the envy of the world; not only that British arts will continue to be world leaders, pushing at the very cutting edge of artistic excellence; not only that the arts will have reached more people than ever before; but that we will be a culturally literate nation. We will be proud of our artistic achievements; vocal about our successes; equally vocal about our failures; self-confident, and able to engage, without inhibition, with all the rich diversity of artistic work. We will rediscover something of the joy that we felt as children, when producing a work of art was a simple matter of a set of poster paints, a piece of paper and two small hands.

That way we can ensure that the arts in this country—in their many, varied outstanding and challenging forms—can be available to everyone. I can assure the House that we as a Government will continue to play our full part in making sure that that can be achieved.

10.24 am

Mr. Peter Ainsworth (East Surrey): I very much welcome the opportunity to debate Government funding of the arts. This is the second Friday debate secured by the Department for Culture, Media and Sport in three weeks. It is the second debate held at short notice, and on a day when hon. Members will, for the most part, have had long-standing engagements away from Westminster. I am afraid to admit that I am one of those and—with your indulgence, Mr. Deputy Speaker—I shall not be here for the conclusion of the debate.

I welcome the opportunity to debate Government funding for the arts, and I congratulate the Secretary of State on his courage in making this possible. The House has just been treated to a breathtaking display of humbug and complacency from a Secretary of State who seems to think that if he says often enough, that all is well people in the arts will believe him. They do not.

The Secretary of State displays in an advanced—even archetypal—form many of the disturbing characteristics of this fundamentally deceitful Government. Like the Prime Minister, the Secretary of State has surrounded himself with a coterie of cronies. He has set about subverting the independence and integrity of civil servants in his Department. He has appointed a Labour party hack in place of a civil servant to spin news, and to bully and threaten journalists who venture criticism or even an independent view.

Mr. Chris Smith: The hon. Gentleman is outrageously impugning the integrity of a civil servant. Would he care to name the civil servant about whom he is concerned, and indicate his precise concern?

Mr. Ainsworth: I am impugning the integrity of the Secretary of State, not the civil servant. The right hon. Gentleman has appointed, for the first time in its history, an Arts Council chairman with no previous commitment to the arts, but with a stated commitment to the Labour party. He has instilled an illiberal and oppressive climate of acquiesence among individuals and bodies who look to the Department for leadership and funds.

Like the Chancellor of the Exchequer—who presents himself as an honest-to-goodness cutter of taxes while presiding over a massive increase in taxation—the Secretary of State has perfected the art of the distracting headline. The only difference is that while the Chancellor is engaged in stealth taxes, the Secretary of State is engaged in stealth cuts.

Mr. Barry Gardiner (Brent, North): The hon. Gentleman has given a catalogue of criticisms of my right hon. Friend the Secretary of State and the Government's handling of the arts. Has he met one person in the whole

of the professional arts world who has said that the situation was better under the previous Government? I very much doubt it.

Mr. Ainsworth: The hon. Gentleman has walked straight into that one. Yes—almost every day.

Mr. Gardiner: Name one.

Mr. Ainsworth: I meet so many people in the arts who say almost every day that the situation is now worse than it was under the Conservatives.

Mr. Gardiner: Name one.

Mr. Ainsworth: If the hon. Gentleman closes his mouth and opens his ears, he might learn something—including the answer to his question.

On 24 July 1998, the Secretary of State set out the results of the comprehensive spending review. He had had a bad year. The arts world had grown angry at his failure to deliver the El Dorado which—albeit by nod, wink and innuendo—it had been promised before the election. It was so bad that the Prime Minister himself decided to intervene.

Norman Lebrecht, in *The Daily Telegraph* on 30 June last year, reported:

"The Prime Minister summoned senior cultural figures to Downing Street yesterday to pledge a new commitment to state-funded arts and acknowledge their neglect by his Government . . . a clear commitment was given by Mr. Blair 'to write the arts into the core script' of its programme. The meeting . . . follows mounting criticism of new Labour's attachment to pop music, fashion and film, and its punitive attitude to higher arts."

It was time for a good headline, and here it came—from the Department's press release of 24 July last year:

"Chris Smith Details Biggest Ever Increase in Cultural Funding."

The release said:

"Culture Secretary Chris Smith today set out a new £290 million 'investment for reform' contract for Britain's cultural and creative world which will give new money to modernised arts bodies and enable free entry to the UK's world famous museums".

My right hon. Friend the Leader of the Opposition has referred to the "great Labour lie". There are in fact many Labour lies. The Secretary of State's press release of 24 July 1998 contains several. The figure of £290 million applies to three years and not one, which is what most people are used to, and the fact is that the Department's spending in 1998-99 was £912 million and in 2001-02 it is planned to be £1.038 billion; that is a rise not of £290 million but of £126 million: in real terms, £52 million. It is a lie to talk of an increase of £290 million. Furthermore, the figure applies not only to the cultural and creative world but to the whole Department, over three years: another lie.

It has subsequently become clear that the amount contained in the spending plans is not sufficient to provide for

"free entry into the UK's world famous museums".

The idea of universal free admission has been quietly shelved. So that is another lie: three lies in one sentence. Having established his specious theme, the Secretary of State began to extemporise.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Gentleman must make it clear that he is not suggesting that the Secretary of State is lying. Right hon. and hon. Members do not tell lies.

Mr. Ainsworth: I am well aware of that, Mr. Deputy Speaker.

In August 1998, the Secretary of State was at the Edinburgh festival, where, presumably to a suitably impressed theatrical audience, he declared:

"With the extra £120 million over the next three years, theatre companies will be able to reach new audiences."

Theatres were never going to receive an extra £120 million under his plans. Instead, they got management consultants.

The same respect for the truth permeates the document with which the Department followed up the press release: "A New Cultural Framework". In the foreword, the Secretary of State said:

"I was able to announce in July a huge boost for the cultural sectors—£290 million over three years. This will benefit the arts and museums in particular, but all parts of my portfolio will have new money."

New money will indeed go to all parts of his portfolio, except libraries, sport, heritage, tourism and broadcasting, each of which faces a three-year standstill or a cut in real terms. It was simply untruthful to maintain that all parts of the departmental portfolio will have new money. They will not. The Secretary of State and his officials must have known that.

The truth is that the Secretary of State's budget for the arts—broadly speaking, the Arts Council of England—is due to rise from £198 million in 1999-00 to £253 million in 2001-02: an increase of £55 million before inflation. For museums and galleries, the increase is from £209 million to £259 million: a rise of £50 million before inflation over three years.

I apologise for belabouring the House with numbers, but this is a debate about Government support for the arts and it is important to establish the facts on the record. Here is another: according to figures provided by the House of Commons Library, as a percentage of gross domestic product, Government spending on the arts will fall between 1996-97 and 2002 from 0.11 per cent. to its lowest level since records began, at 0.08 per cent.

If the Secretary of State is confused about why, instead of awarding him a crown of laurels, the arts world is blowing raspberries behind his back, he need look no further than those figures. Perhaps he is unaware of the hostility that his policies have aroused in the arts world. It has taken a Labour Government to see the establishment of a shadow Arts Council. *[Interruption.]* The hon. Member for Slough (Fiona Mactaggart) groans, but she knows that the shadow Arts Council has been set up by knowledgeable people who care passionately about the arts and are gathering their forces as we speak to launch a new attack on the Secretary of State and his policies.

Mr. Chris Smith: The hon. Gentleman will be aware that the litany of people cited by the shadow Arts Council

[Mr. Chris Smith]

as supporting the initiative when it established itself subsequently withdrew their support and said that they had never been contacted, knew nothing about it and did not support it.

Mr. Ainsworth: There is a reason for that. Ministers have derided those people from the arts world as a bunch of whingers and every time one of them criticises the Government, Lord Bragg duly leaps to his feet in another place or writes an article slamming the "tired whingers" or "washed-up has-beens".

The managing director of the Barbican centre, writing in *Art News* a few months ago, said:

"in its few weeks of existence, the Shadow Arts Council has come across a worrying phenomenon—fear. Many individuals have rung up to express their support of its aims but have said that they cannot afford to be identified in public . . . They fear for their continuing funding if they do."

The Secretary of State may shake his head, but that is what the managing director of the Barbican centre said, and he cannot deny it.

I have dealt so far only with central Government spending and I have tried to suggest that we are not living in a healthy, liberal or even very democratic age, and certainly not an honest one, but it would be wrong to ignore the role of local government. Here, reliable figures are lamentably hard to obtain, but it is hardly surprising, given the non-statutory nature of much local government arts funding and the continued pressure on local government spending, that the Secretary of State will find little to cheer him.

According to the Library, in 1995-96 local authorities supported the arts in England to the tune of £195 million, but by 1998 the figure had shrunk to just over £100 million. According to the Arts Council of England, county authority spending on the arts fell by 11.3 per cent. last year. Again according to the Library, the proportion of overall arts spending, excluding libraries, accounted for by local government has fallen from 30 per cent. in 1996 to below 20 per cent. of total spending.

No consideration of funding the arts would be complete without having regard to the national lottery. Over their 18 years, the previous Government increased Exchequer funding of the arts by 35 per cent. over and above inflation, and the creation of the lottery and the inclusion of the arts and heritage as beneficiaries marked a step change in the overall funding climate, dramatically increasing the amount available.

In the past five years, the Arts Council lottery fund has paid out more than £1 billion to more than 8,300 projects and the national heritage lottery fund has contributed £1.3 billion to 3,072 projects. That is the scale of the Conservative bequest to the arts and heritage.

I am proud to have served in Committee on the original National Lottery Bill. I remember the repeated insistence of Labour Members that lottery money should be additional to on-going Exchequer funding. Our debates gave rise to an awful new word: "additionality" was added to the language of Shakespeare and Pope. Additionality is an awful word, but an important principle.

I remember tabling amendments on behalf of the National Campaign for the Arts to ensure the greatest possible degree of transparency in what was and was not lottery money. I remember the assurances from Conservative Ministers and the then Prime Minister that lottery funds would not be diverted into core Government programmes. We kept our word, but since the general election the Labour Government have embarked on a cynical and systematic betrayal of the national lottery. They set out to create, in the corny and slightly sinister words of new Labour-speak, "a people's lottery" but they have instead created a Government's lottery.

Already one sixth of the lottery distribution fund is used to support core Government spending programmes in health and education. That is bad enough, but many in the arts world were appalled to discover that, when the millennium fund winds up after 2000-01, fully one third of all lottery money will be diverted from the original good causes. However hard he tries, the Secretary of State cannot deny that in setting up a sixth distributor of lottery proceeds, he has diverted money away from the original good causes, including the arts.

Once again, the figures are complicated, but I hope that the House is prepared to accept numbers produced by the House of Commons Library. They suggest that, as a result of the Government's intervention, the arts will receive £300 million less than they would have over the life of the current lottery licence; there is a similar loss to the heritage fund. I am familiar with the Secretary of State's argument that, because the overall amount of lottery spending has exceeded expectations—no thanks to the Labour Government—the arts and heritage will receive more than was expected in 1994. However, the point is that, while affecting to be a friend of the arts and heritage, the Secretary of State has snaffled £600 million that was originally earmarked for their benefit.

Mr. Smith: Will the hon. Gentleman confirm what he told the Conservative party conference, that he would take away funding for after-school clubs, healthy living centres, green spaces and cancer equipment? If so, with what would he replace that funding; or are those initiatives that he does not believe should be undertaken in this country?

Mr. Ainsworth: I am coming to that. It is not true that I told the Conservative party conference that we would take away the money—the right hon. Gentleman has simply invented that remark.

Mr. Smith: Does the hon. Gentleman deny that he is on the record and in the transcript as telling the Conservative party conference that health and education are not matters on which lottery money should be spent?

Mr. Ainsworth: My point is that health and education cannot be funded out of the lottery without the original good causes being disadvantaged. If the right hon. Gentleman is patient, he will hear what I have to say on that subject, but I should first point out that, in the week in which Camelot has announced a sharp drop in its income, future levels of lottery money cannot be taken for granted. I hope that it does not happen, but it is possible that, in future, the golden goose will lay fewer eggs.

Let me make it clear: I am not attacking those projects that succeed in obtaining support from the new opportunities fund. I merely ask the Secretary of State to admit that, under the new lottery arrangements, there are

winners and losers. The NHS, education and many of the excellent causes supported by the new opportunities fund are undoubted winners, but the arts are losers.

Mr. Gardiner: Given that the hon. Gentleman agrees that there are winners and losers in those circumstances, and given his proposal that lottery money should not be spent on health and education, does he accept that under a Conservative Government health and education would be losers?

Mr. Ainsworth: The winners and losers game has been created by the Labour Government.

The Secretary of State should admit that, in caving in to the Treasury, he has ridden roughshod over the principle of additionality, which, before the election, the Labour party was keen should be observed. Baroness Pitkeathley, the chair of the new opportunities fund, has no scruples about additionality. Speaking to the lottery monitor conference earlier this year, she said:

"When I first arrived at the fund, some parts of the media seemed to see additionality—or rather, what they perceived as lack of it—as the great issue . . . When, however, we carried out the public consultation on our first three initiatives, the topic of additionality was very rarely raised. Those who might benefit from our funding were not terribly concerned about political debates on additionality."

That is hardly surprising: if a fiver is taken from one person and given to another, the recipient is hardly likely to complain. I bet that the noble Lady's consultation did not extend to those, such as the arts and charities, who had been led to believe that they had some claim on the money that she has bestowed elsewhere.

It is interesting to note that, whereas additionality was a point of principle before the election, it is now simply a matter of political debate. To be fair to Baroness Pitkeathley, she did go on to say:

"Of course, lottery funding must be additional to existing public expenditure. We shall ensure, at the level of individual projects, that this is always the case."

However, those are weasel words which could be used to justify the new opportunities fund paying for almost anything: for example, money spent on a new heart monitor could be justified as being additional in that, by definition, the heart monitor was not previously funded by the NHS. The facts are clear: the Government have raided the lottery to the detriment of the arts and are in the process of converting it into another form of stealth tax—and a regressive one to boot.

There is no doubt that lower than anticipated lottery income played a behind-the-scenes role in last summer's announcement by the Arts Council of England that it was pulling the plug on 300 capital projects around the country. Theatres, with their special capital needs, are especially hard hit—theatres such as the Bristol Hippodrome, which has roof-top portakabins; the new Theatre Royal, Portsmouth; and the King's Head in the Secretary of State's own constituency, whose grant has been cut and whose lottery application has fallen through for lack of London Arts Board support.

I have a quote from the Theatres Trust of which the Secretary of State might not be aware, but which will be of benefit to him to hear. The trust states:

"All over Britain people have been working in good faith to develop schemes so that these theatres, many of them nearly 100 years old, can be brought up to modern standards. Now it seems that they are to be doomed to disappointment as lottery money is diverted to the new causes and away from buildings. There is no point in asking the arts agencies to draw up strategies and priorities for development if the money is no longer there".

We have established that the reality of the Government's support for the arts does not match the headlines, and the Government will pay a heavy price for the difference between the two, but the problem is not confined to the arts. People might read the headlines, but they live the reality, and outside the cosy coteries of Islington, substance matters more than style.

There is another source of growing frustration and anger in the arts world. The policy of devolving money away from the Arts Council of England to the regional arts boards might sound like a good idea, and there are some who have welcomed it—most notably, but not surprisingly, the regional arts boards. However, it is not a good idea if the result is more money spent on bureaucrats and administrators and less on the arts. The Government, including the Secretary of State today, have stuck doggedly to their assertion that the process will lead to a net saving, but I have yet to be convinced.

I am the first to admit that the old Arts Council of England was hardly a model of managerial efficiency. I welcome sensible decisions to make the way in which public money is distributed to the arts more financially transparent and less encumbered by bureaucracy. However, judging by the delay in the publication of the latest Arts Council annual report and the hopeless paucity of information in the recently published lottery report, financial transparency is a long way off. Meanwhile, the "situations vacant" columns of *The Guardian* are peppered with advertisements for arts administrators in the regions.

"The Stage" newspaper recently reported that all the regional arts boards were taking on extra staff. Another arts digest publication has reported that the London Arts Board, which receives the largest slice of extra devolved funding, is increasing the number of its employees from 45 to 68. It also points out that even before that increase in bureaucracy, the cost of administering the London Arts Board had risen from 10.3 per cent. of income in 1995-96 to 13.1 per cent. at the last count. Common sense demands, and the public expect, that arts money is spent on the arts, not on administrative overheads.

Within the past 18 months, the Arts Council has been through a period of traumatic cuts in staffing, only to find itself back on the recruitment trail. The appointment of a new senior officer, whose salary of some £120,000 exceeds even that of the chief executive, has done nothing to repair the rapidly deteriorating relations between the arts world and the Arts Council. The outcome, although Gerry Robinson may not be still in place to see it, is most likely to be a net increase in the overall cost of administering the arts, not a reduction. That is not what the public want, and it is certainly not what people in the arts want.

The editor of *Art Review* recently criticised the bureaucratisation of the arts. He said:

"The problem is that the Arts Council promotes only what is fashionably contemporary, whilst developing a trendy contempt for history and notions of quality."

That is a bit unfair—after all, the Arts Council funds many of our great orchestras and major theatre companies—but I know what he means and he has a point. It has historically been the role of the Arts Council

[Mr. Ainsworth]

to make artistic judgments and, when necessary, to defend them against the editor of the *Art Review*, Back Benchers of all parties and, occasionally, Ministers.

It has not, until now, been the role of the Arts Council to acquiesce willingly in becoming an agent of Government policy. The Secretary of State has been explicit about that agenda. In "A New Cultural Framework", he states:

"We intend our new position to enable us, for example, to . . . play a full part in 'joined-up Government', not only making the case for support for our sectors from other parts of Whitehall, but developing more integrated approaches to policy development, exploiting the links which already exist and arguing for recognition of the part the arts, sport, tourism, etc. can play in delivering Government policies".

Since when were the arts the agent of Government policies? The right hon. Gentleman goes on to say that the Government will

"take direct action where appropriate to take forward our objectives; and . . . if necessary, bang heads together to solve problems."

The arts and artists play a vital role in society. They not only reflect a society's culture but help to make it, and they represent the greater part of what is left behind for future generations. They are not an optional extra. As the work of Francois Matterasso and his team at Comedia has demonstrated through case studies, the arts can bring immediate and tangible benefits to communities, including reduced crime; a greater sense of purpose, identity and fellowship; and better academic results in schools. The arts are also taking an exciting lead in urban regeneration and the creation of new jobs.

Above all, the arts have to do with communication. An artist who cannot communicate is lost. The best in art has ways of penetrating both the hearts and minds of its audience, not only individually but collectively and, in teaching us something new about ourselves, shows us how better to understand each other and the world. It is no wonder that, over the centuries—and especially in this one—authoritarian politicians have made a beeline for the arts. They have sought to harness that formidable power of communication to serve their own agenda. They have taken "direct action" to ensure that their objectives are achieved.

In the immediate aftermath of world war two, and with Stalin's tyranny well into its stride, the founders of the Arts Council needed no lessons in the importance of keeping the arts at arm's length from politicians. However, its latest missive states:

"In April 1998, the Secretary of State for Culture, Media and Sport"—

not the Arts Council itself—

"announced the creation of . . . the 'New Audiences Programme'. For Year 2, elements of the programme have been adapted to support 'projects which focus on cultural diversity, social exclusion and increasing access or opportunities for people with disabilities'."

That is all good stuff, but is it art? I am not sure. If artists are to become the agents of Government social policy, we might as well take the logical step of doing away with the Arts Council and funding the arts through the Home Office. Better still, we could fund the arts through a new Ministry of Information, run by men in dark glasses who know all about banging heads together.

It is striking how far removed from the original aims of the Arts Council the present arrangements have become. I have reread an article by the Arts Council's first chairman, John Maynard Keynes, which was first published in *The Listener* in July 1945. Attributing the establishment of the Arts Council to the Government of Winston Churchill—it was not the brainchild of the Labour party, as is commonly claimed—Lord Keynes wrote:

"we do not intend to socialise"—

for socialise, read nationalise—

"this side of social endeavour. Whatever views may be held by the lately warring political parties . . . about socialising industry, everyone, I fancy, recognises that the work of the artist in all its aspects is, of its nature, individual and free, undisciplined, unregimented, uncontrolled. The artist walks where the breath of the spirit blows him. He cannot be told his direction; he does not know it himself. But he leads the rest of us into fresh pastures and teaches us to love and to enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts. The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity."

Under the present Government, the tasks of giving courage, confidence and opportunity have become secondary to political didacticism. The Government are nationalising the subsidised arts.

In the midst of all that, we have seen one encouraging development, which is the growth in business sponsorship of the arts. I pay tribute to the work of Colin Tweedy and Robin Wight at Art and Business for their tireless championship of that cause. It is largely thanks to that organisation that business sponsorship has grown over the years to contribute some £115 million a year to the arts. Increasingly, Art and Business is considering new, innovative and creative ways to build partnerships between the business world and the arts. It is especially encouraging to note its recent success in attracting sponsorship from the emerging corporate sector in e-commerce and new technology and recruiting some 1,500 business volunteers to give their time and expertise to arts organisations. It is a two-way process, because the arts and business have much to learn from each other.

Some people still feel slightly queasy about business sponsorship. They worry that artistic integrity may be threatened by the demands of the bottom line. There is little evidence to suggest that that has happened, but in any case, given a choice, I would prefer a private sponsor motivated by what people want to a public sponsor motivated by political priorities and trailing a miasma of bureaucratic string.

While my party recognises the need for public support, we are firmly committed to encouraging business and private sponsorship of the arts and are determined to find ways of making it easier and more attractive to give. We must also find ways to enable arts organisations to achieve greater certainty and stability in their funding, and to ensure that money for the arts is spent on art and artists, not on apparatchiks. Beyond that, we must set about repairing the damage that this Government are doing by their dumbed-down, utilitarian, disintegrationist, trendy, politically correct and invasive policies towards the arts.

One of the best things that has happened over the past 15 years is the way in which concern for the environment has been encouraged in our schools. The result has been a much greater awareness of the fragile balance of nature and of the responsibility that we owe to those who will come after us. There is another environment, equally at risk and in need of constant nurture. It is the cultural environment. Just as, over the centuries, we have shaped the visible landscape, so have we shaped that other

landscape, which to no lesser extent defines who we are, provides context to our lives and represents the sum of what we will leave behind.

For most people, an understanding of that cultural landscape can only begin at school. I welcome the findings of Professor Ken Robinson's national advisory committee on creative and cultural education, which has looked at ways on infusing cultural literacy in our system of education. What is really needed is a fundamental reform of the structure of education. In the meantime, however, I challenge the Government to say whether they will implement the recommendations in the Robinson report entitled "All Our Futures", or whether they prefer to confine themselves to yet another review.

Whatever the Secretary of State's personal tastes, it is clear that the Government consider the arts a tool of social policy on the one hand, and a fashion accessory on the other. We are in danger of becoming a people without memory. Not for nothing did Sir Roy Strong preface his latest book, "The Spirit of Britain: A Narrative History of the Arts", with the words "Lest We Forget". We cannot forget what we do not know. That is why education is so important.

In an age of global communications, and in the face of enormous changes that will be wrought by new technologies, an understanding of the great tradition of our arts and heritage has never been more important. By all means, let us encourage access to the arts, but without an equal emphasis on excellence, there is really very little point. Unless we understand the achievements of the past, we cannot hope to meet the challenges of the future. Great art will not be fettered by politicians and we should be humble in the knowledge that great artists have more power than us to enhance the lives of individuals, and the life of the nation.

11.2 am

Judy Mallaber (Amber Valley): I apologise, Mr. Deputy Speaker, but I, too, may need to leave before the end of the debate as I have prearranged meetings with constituents.

I very much welcome this debate on the Government's support for the arts. However, I was disappointed with the speech by the hon. Member for East Surrey (Mr. Ainsworth). It was a mealy mouthed, sad and desperate contribution to what should really be a subject to celebrate.

My area is a winner when it comes to the arts. As I was preparing for this debate, my local arts officer told me that there has been a cultural change for the better since this Government came to power. The hon. Member for East Surrey said that there was little to applaud in the work of local authorities, but I shall give a number of examples of how the arts have been able to make progress as a result of partnership with my borough, county, town and parish councils. There is much to celebrate in the work of local authorities in my area.

In my constituency, there are no high profile arts venues that hit the national headlines. We do not even have a cinema—and as a film enthusiast that appalling fact is a perpetual source of concern and upset to me. However, it is not good enough to concentrate resources solely on centres of excellence. Amber Valley, and Derbyshire in general, is made up of a mix of small towns and rural areas, so such centres are usually too far away to be accessible by any but the few.

I applaud the commitment made by my right hon. Friend the Secretary of State to open up access to the largest possible number of people. That will not take money away from essential services such as education, health and economic development: rather, it will complement those services. I can do little better than to quote from the arts strategy promoted by my local authority in Amber Valley. It states:

"Throughout history, musicians, artists, actors and performers have brought colour to our lives. The arts hold up a mirror to ourselves, helping us to understand our complicated world and also providing an escape from it. We experience the arts as spectators and participants, as complete novices, enthusiastic amateurs or as dedicated professionals, as individuals or in a group. In whatever way we enjoy cultural activity it enriches our lives and often brings a sense of well being."

The strategy goes on to describe the benefits that the arts can bring and how the intention is to ensure that no one is excluded from those benefits. It states:

"Our strategy concentrates on access, excellence, regeneration through the arts, collaborative working, better communications and maximising resources. We want to make the Borough a vital and exciting place to live, a place where people can see a professional theatre company in their own village hall and hear live music in parks and market places; a place where professional artists and performers are valued for the contribution they make to our lives; a place where arts play a key role in our cultural, social, economic and personal development; a place where there is a supportive arts infrastructure and opportunities for everyone to stretch their own potential for creativity."

Many projects in my area do just that. It always amazes me how much goes on locally. In recent weeks, I have discovered flourishing organ societies around my area. I have given the vote of thanks to a local choir and to talented local young violinists after a performance in a church. I have listened to barber shop singers at the civic service in Loscoe—although I was less impressed when they played the Cliff Richard record that has caused so much fuss lately. I am afraid that I go along with the musical judgment of those radio programmes that have not been persuaded of the piece's musical value.

In addition, I recently saw a rap poem on the side of the Ironville railway carriage youth club, painted by the "cool" young people who claim to "rule" their village in the poem. If my right hon. Friend the Secretary of State sets up a poetry website—and if I can remember the words—that will be one of the first pieces that I shall propose. I was also sworn to secrecy recently when I went to the location where an exciting future episode of the medical television series "Peak Practice", which is set in my constituency, was being filmed. Such arts activities have always flourished. In Derbyshire, the summer practice of well dressing has taken place for generations.

We need to foster and encourage the arts. I welcome the reversal of the Tory cuts in Government funding for the arts. Funding for the east midlands arts board will increase this year by 14 per cent., but we have to ensure that our commitment to widening access is constantly reaffirmed. Lottery funding has been totally inadequate, and until recently was grossly skewed away from areas such as mine, where large prestige projects are not set up and where there are no wealthy groups that can find the partnership funding that is needed.

The east midlands and the former coalfield areas have suffered especially badly. In the absence of revenue-funded, dedicated arts buildings, it is very difficult even to enter a bid when the programme is

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focused on capital spending. However, since the introduction of the "awards for all" project, which has helped money go to small community groups, we have hit the lottery jackpot. The results may not be dramatic compared with other areas, but in September 18 groups received £70,000 for the first time. That change in the operation of the lottery has certainly helped my area's arts strategy.

The Government's strategy of opening access is vital. I applaud the aim expressed by my right hon. Friend the Secretary of State this morning of reaching out to the 50 per cent. of the population who never set foot in a theatre, a concert hall, an opera house or an art gallery.

We have none of those things in my area. What we do have—and I hope that, over breakfast this morning, I persuaded my right hon. Friend to come and see for himself—is a wonderful transport heritage. I am delighted that the Government have decided to give £15 million to the 48 designated transport museums. The national tramway museum at Crich was so designated last year. I am also delighted that we got heritage money for the restoration of the two steam locomotives, the Duchess of Sutherland and the Princess Elizabeth, at the Midland railway museum, which is loved by railway buffs. I do not understand it all myself, but all the enthusiasts who go there show how valuable the funding is.

Those are really our only major venues, so we need local sponsorship to take arts out to the community. The work of our local authorities in helping local programmes has been vital. A number of very exciting projects have started to open up access, in accordance with a main theme of our arts strategy.

I have a few examples of how the arts can be taken out into the community. Pause for Applause is a small-scale touring scheme administered by the borough council with help from east midlands arts—which has just received a large increase in its Government funding—to bring professional music, drama, poetry and dance to towns and villages throughout the borough. Pause for Applause puts on a wide variety of public performances, including some specifically for young people, at accessible venues at affordable prices.

We have a programme of concerts for the community to provide part-funding for live music events at festivals, carnivals and carol services. I was delighted that, on the one occasion on which my mother was able to visit the area before, sadly she died, the middle of Ripley was enlivened by shoppers being entertained by the brass band concerts that are sponsored by the town councils at various times through the summer—not every Saturday, unfortunately, but quite frequently.

The Secretary of State talked about a dance programme with young people in Bristol. We are specifically involving young people and people with disabilities. We, too, have dance programmes, in some of our most deprived areas, in conjunction with the Derby dance centre, and are seeking to set up a youth arts forum. I did not realise until yesterday that we have not only the Ironville rappers, but the Ripley Ranters—a group of 11 to 12-year-old girls who are upset that there is no provision for teenagers in Ripley. People come to my surgery and complain about it. The Ripley Ranters are doing workshops and making a video to tell everyone how fed up they are. They are learning the skills to enable them to campaign for better facilities.

These programmes are about extending access. We cannot focus simply on the big projects; in areas such as mine, we cannot reach out without coming up with imaginative schemes involving local groups.

I want to mention a couple of really exciting projects in my area. The millennium banners project is a partnership between the borough council and the town and parish councils. It is about celebrating the people and places of Amber Valley by constructing textile banners, as the textiles industry is very important in my area. So far, six towns and villages have made triangular banners, with help from the Fleet arts project, and some 800 children and adults are involved. They decide which symbols represent their village. One town has chosen all its local churches; a village has chosen its reservoir, where local people are trying to save their fishing rights; others chose a collage of village children; yet others chose the symbol of Butterley engineering and the old forge from the ironworks. These symbols have been woven into beautiful triangular banners. By December 2000, with the help of a grant from the millennium fund, a whole range of banners will be put on display and then taken back to the towns and villages. The project involves different local groups and, in addition, has stimulated all sorts of other schemes, including literacy projects.

The Collaro project is a creative writing scheme by former employees of the Langley Mill-based munitions factory about their memories of work and play during the second world war. The writing is both funny and moving, and with any luck it could even end up as a television or radio play, although I think that that is some way off.

Some very exciting projects are taking place in my area. We are helped by the changes in lottery funding, the encouragement given by local authorities and the commitment to opening access out to the community.

One has to be enterprising in looking for new ways to fund projects. The Ironville railway carriage, which we seem to have opened at least five times because everyone is so excited by it, is an economic development programme partly funded out of the single regeneration budget and other partnership money. In other cases, the way in which the arts are subsidised is slightly more puzzling. I cannot resist telling hon. Members about the time when I was sat quietly in the Members' Tea Room and a fellow Labour Member came in, sat down, looked at me and did a double take. She asked if she really had just seen me on "Food and Drink" with a roomful of morris men. I had to say yes: the participants in this wonderful traditional English dance require considerable amounts of food and beer to sustain them. An enterprising Ripley morris man was watching television one day and decided that he could subsidise their annual ale feast by getting "Food and Drink" to do it for them. They set it up, but the flaw—what had not clicked—was that the programme is about helping people to cook dishes themselves, so the Ripley morris men were filmed cooking an ale feast for 150 of their colleagues. It was wonderful, but a rather strange way of obtaining subsidy for music and the arts. I welcome the Government's commitment and the provision of funding because I do not want everyone to have to find such strange ways of subsidising the arts.

In conclusion, there are three key themes of Labour's arts policies—excellence, access and education. We need to keep those three themes going, particularly the contract to open access, so that the arts can truly enable local communities to gain the enrichment of life that the proper development of an arts policy provides.

11.16 am

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): Like the hon. Member for East Surrey (Mr. Ainsworth) and the hon. Member for Amber Valley (Judy Mallaber), I must offer the Secretary of State my apologies for an early departure from the Chamber: I have a long-standing commitment to speak in Sunderland on behalf of Scottish Opera, where a new opera is being performed tonight in which I had some part.

Mr. Peter Ainsworth: I once saw a very good performance of Ravel's "Bolero", in which the musicians came on to the stage one by one. This morning's debate looks like that "Bolero" in reverse.

Mr. Maclennan: The Secretary of State has kindly indicated to me the nature of the extremely important occasion which has drawn him from the Chamber—temporarily, I think—and I wholly understand and, indeed, applaud, his participation in that event.

I do not, however, find it possible to go along with the line of criticism deployed by the hon. Member for East Surrey (Mr. Ainsworth) about the Secretary of State and about the Government's policy on the arts. I thought that the Secretary of State's reasoning for Government support for the arts was almost faultless. I wholly agree with his sense of priorities and the way in which he has committed himself to attaining the ends summarised by the hon. Member for Amber Valley as excellence, access and education. Those are powerful objectives for any Government.

The true debate about the future of the arts—and one to which it would have been exceedingly interesting to listen—was presumably that between the Secretary of State and his Treasury colleagues in planning public spending on the arts. I found the right hon. Gentleman's arguments in support of the arts considerably more compelling than his Treasury colleagues must have done. Like the hon. Member for East Surrey, I am dismayed by the projected decline in the share of GDP that will be devoted to the arts.

This country has a great deal to celebrate, and I join the Secretary of State in recognising the quality and talent of our artists and current innovative developments, but we cannot turn away from the stress suffered by many of our arts organisations. Even some of our major national companies feel uncertainty because of the tight financial constraints within which they operate. I agree with the hon. Member for East Surrey that it is difficult to extract accurate figures. He has done a good job in putting some figures on the record, and I shall not repeat them; however, in the Secretary of State's otherwise interesting speech, there was no flavour of the concern felt around the country.

This week we are celebrating the reopening of the Royal Opera house, where performances are demonstrating our country's enormous, internationally approved talent, but Jeremy Isaacs, in his recently published book, has pointed out that Arts Council expenditure on the ROH had fallen from 60 per cent. in the 1970s to 26.7 per cent. in 1992. Substantial sums have been spent on refurbishing and improving the ROH, particularly on rehearsal areas for dancers and on increasing the number of productions possible. That is encouraging, and the management have improved their grip on the challenges that the ROH faces. However, considerable uncertainty remains about revenue prospects.

We do the arts no service if we simple champion achievements without drawing attention to difficulties. Scottish Opera was not among the companies mentioned by the Secretary of State—I appreciate that there is a ministerial division of responsibility—but its problems will not be wholly resolved by the step taken by the Scottish Executive. I ask only that Ministers should be honest about difficulties where they exist.

The Secretary of State spoke about the predicament of the nine regional orchestras in England which are funded by the Arts Council. I welcome the steps that have been taken to deal with deficits that have threatened those orchestras, and I hope that current discussions with the orchestras will resolve their revenue problems. Similar problems are affecting the regional theatres in England, many of which have closed.

The Minister for the Arts (Mr. Alan Howarth): In relation to future revenue for orchestras, does the right hon. Gentleman think that local authorities should enter into partnerships with regional arts boards and other organisations that contribute to funding? Has he had an opportunity to talk to his Liberal Democrat colleagues in Liverpool about the desirability of ensuring that an adequate contribution is made towards securing the revenue funding of the Royal Liverpool Philharmonic Society on a sustainable basis and for an adequate period?

Mr. Maclennan: I shall say three things about Liverpool. First, I visited the Royal Liverpool Philharmonic orchestra recently to discuss its programme and to make representations. Secondly, the society is engaging in excellent outreach work in the community, which is particularly supported by Sefton and The Wirral. Thirdly, the difficulties faced by the local authority in Liverpool flow from its inheritance of the Labour party's maladministration over many decades. I would accept the Minister's suggestion with greater alacrity if he would admit that, and accept that expenditure on the arts, including orchestras, should not be treated as something that falls within standard spending assessments.

The Government—not just the Department for Culture, Media and Sport—must look into the difficulties faced by local authorities. The Secretary of State scarcely spoke about local government, except to refer to its important role. He did not chart the decline in local authority spending, which has been a critical factor in the closure of theatres and the withdrawal of many valued, locally provided arts venues and activities. The Government should reconsider whether local authorities should be required to spend money on the arts, and whether they are prepared to support that. I ask the Minister to address that matter in his reply.

I welcomed the Secretary of State's remarks about the need to support the arts because of their impact on personal understanding and on the individual. I have never

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heard the case for the support of the arts so clearly stated. Secondary factors such as the impact of the arts on our economy, our invisible earnings, and our regeneration of disadvantaged areas, and their assistance to the learning process, are important, but there are other ways in which to achieve those desirable social and economic ends: those are less convincing justifications for spending taxpayers' money on the arts than the universal justification that the arts benefit every individual.

In that sense, the arts are like the environment, or the very air that we breathe. They affect us all, and should therefore attract a higher priority than they do within the Government's commitments. When enemies of Government support for the arts try to dismiss it as the mere subsidy of recreational activity, they profoundly misconceive the nature and purpose of the arts. Happily, the hon. Member for East Surrey did not go down that route this morning. In fact, despite the somewhat adversarial tone of the debate so far, there is a remarkable degree of consensus in the House about the case for the arts. That has to be so if we are to win the argument with the conventional, conservative Treasury thinking which says that the arts are not for all but are part-time, add-on activities with spin-off effects that we find attractive and use to justify expenditure. I hope that we can shift the argument in favour of much higher public spending on the arts and enjoy cross-party support in putting it.

The Secretary of State delivered his speech in a highly celebratory fashion, and there is much to celebrate. It would be ungenerous not to recognise the virtues of the important initiatives taken by his Department in opening up access, of which he listed several. In a debate of this sort, it is not being a killjoy to note some of the areas of concern. I mentioned the pressure on local authority expenditure. I hope that the Government will tackle that. The Minister alluded to the position regarding orchestras as though it had in some way been resolved. I hope that it will be, but it has not yet altogether been resolved. The loss of the Bournemouth Sinfonietta as part of the restructuring deal was not negligible.

I was gladdened by the announcement of further assistance for students of dance and drama to help with maintenance costs. It is clear that even students who have been accepted for accredited courses at accredited institutions are not having their professional prospects enhanced with the same equity as students in other spheres in the tertiary sector. I hope that the measures announced by the Secretary of State will be sufficient, but he must watch carefully to ensure that all those who have aspirations to succeed in those professional areas are not deprived of opportunities by lack of financial support.

The Secretary of State spoke of the Government's role in supporting the British film industry. I welcome that and know of its high productive achievement in recent years. We have had separate debates on that, so I need not speak at length on the point. It remains true that British films are not in circulation in this country to anything like the extent that is desirable. The domestic film industry is dominated by American distribution companies. That is the biggest disadvantage faced by the British industry. I hope that the Secretary of State is addressing that.

The Secretary of State alluded to concern about the implications for many in the film, recording and publishing industries of the development of new technology. We need international agreement on copyright to protect the research and development activities of people working in those areas from exploitation, pirating and abuse on the internet. I hope that the Government will give strong support internationally to our domestic industry.

The Secretary of State did not devote any great part of his remarks to the Government's international responsibilities for the arts. It is time to reconsider what is being done. We are committed under the Maastricht treaty to a series of proposals that allow greater expenditure by the European Union on the promotion and development of the arts in Europe, but there has been no growth or development of that function. I would like to hear that the Government would welcome such an expansion of activity. If the arts are to be representative of our culture, we must bear in mind the fact that our culture is now rather wider than the area for which the Secretary of State has direct ministerial responsibility. We belong to a wider European Union. It would be helpful if he viewed his responsibilities more explicitly in that context.

A new secretary general has just been appointed to UNESCO, the United Nations Educational, Scientific and Cultural Organisation, and we are glad of that. He comes from a heritage background and I hope that we can look forward to UNESCO strongly supporting cultural activities.

Still in the international sphere, I have some concerns about the declining priority given by the British Council to the arts and culture. It is evidently devoting relatively less attention to them. So far as I am aware, that job cannot be taken up by any other Government institution. I hope that the Government will examine that with an inquiring eye.

The visiting arts branch of the Government network has only a pitifully small amount of money to foster the bringing to this country of arts bodies or artists from other countries. Our people's experience of the arts is enriched by such visits, which can be of huge benefit. I have direct personal knowledge of that through a festival that I founded in my constituency where we had help in bringing in artists from the Nordic countries. Visiting arts resources are too small for that important task. We must not be culturally nationalist to the point of excluding our people from the impact of contact with creative activity in other countries, particularly in neighbouring countries to whose culture and civilisation we are increasingly close.

The debate so far has properly and understandably focused on the work done by the Arts Council. In an earlier debate on the arts, I developed the theme that the arm's-length principle was becoming artificial. I do not share the concerns expressed by the hon. Member for East Surrey about the Government abusing their function as a supporter of the arts to support Government, political objectives. That is to start at shadows. The Government talk about opening out access and backing excellence and so forth; those are objectives that all parties and all Members of the House should be able to accept. There is another principle which is in some ways much more important than the arm's-length principle adopted in the mid-1940s, largely for the historical reasons given by the hon. Member for East Surrey—the background of abuse of the arts by totalitarian Governments. However, we are no longer in that position—we have not been for a long

time. The important principle that we should espouse is that, as it is the Government's responsibility to spend taxpayers' money, that responsibility cannot properly be put into commission.

The line of accountability must go directly to Ministers, who must be prepared to answer for what is happening. It is much too artificial to say that, if our Royal Opera house fails, it is the business of the Arts Council and that the Government have no responsibility. That is no longer a tenable position, and it is time to consider whether the Government should take over the funding of those national institutions directly—I think the answer should be positive.

In any event, the Government distort the public perception of the role of the Arts Council; it is unreal. Before one general election, the then Secretary of State, Mr. David Mellor, funded the purchase of the Coliseum for the English National Opera—a breach of the arm's-length principle with which most people agreed, because they thought it was sensible. The potential role of the Arts Council is distorted if it is the big funder for the arts and for those large institutions.

I very much welcome the steps taken by the Arts Council to devolve to the regional arts boards its responsibility for many other bodies, including many orchestras. That principle should continue to its proper conclusion, without objection, so that the Arts Council is free from that responsibility, and can focus on what it alone is capable of doing, and which no one else can do as effectively. It could be the advocate for the arts to which everyone could turn, because its members include the leading exponents and practitioners of the arts in this country. That role would not be clouded by any possible criticism of the Arts Council's administration of funding. It could take a strategic and objective view of what could be done to strengthen the arts. That would not run against the grain of what is happening in the Arts Council or of the tone of the Secretary of State's speeches on the subject. The right hon. Gentleman clearly acknowledges the Government's responsibility for support of those major organisations, and he rightly takes credit for solutions to problems such as the long-running saga of the Royal Opera house.

Having welcomed the transfer of those grant-giving responsibilities to the regional arts boards, it is right to be watchful so as to ensure that there is no great burgeoning of bureaucracy throughout the country. That would defeat the purpose. Those boards should manage their affairs with a light touch. Too much of the time and money of our arts organisations is taken up with expenditure on consultants and with the preparation of application forms for assistance—with general management rather than artistic activity.

In many cases, it has become too difficult to access funding—not just because there is too small a pot of money, but because, in order to receive a share, those who apply have to go through the most serpentine efforts to make a competitive case. It is useful to consider the experience of the Foundation for Sport and the Arts, which, with a remarkably small number of people, has distributed a great deal of money. It has maintained a good sense of priorities, without any sacrifice of accountability. We must be careful not to heap Ossa on Pelion in respect of accountability. There are now so many levels of accountability that we need to strip them down substantially so as to enable the arts providers—the arts companies—to focus on what they are in business to do: to open up access, to innovate and to provide high-quality performances.

My few thoughts on the subject do not put me at arm's length from the Secretary of State—that is comforting and agreeable. However, his case for a much increased share of the taxpayers' money should not go by default. I do not doubt that he discusses the matter with his colleagues, but the projected relative decline of expenditure of gross domestic product on the arts is worrying.

Those of us who want the battle to be won wish the Secretary of State success. In August, the chairman of the Arts Council made a speech in which he referred to the tripling of expenditure on the arts. That did not seem to be an excessive ambition; when one considers the global cash involved, that seems to be realistic given what is required to meet the expectations of people living in different parts of the country. It is time that we talked openly of the inadequacy of the available resources. To say that is in no way to imply criticism of the Secretary of State, and it is certainly no criticism of the priorities that he displays in handling his task.

11.45 am

Mr. Tony Colman (Putney): Before I make my speech, I declare an interest as chair of the all-party retail industry group, chair of the all-party London arts and culture group, a former member of the London Arts Board, a former chair of the Wimbledon theatre trust, a member of the board of the Polka theatre and of the national theatre for children, and a trustee of the Music Therapy trust. I come from a lineage of Members of Parliament representing Putney who have had an interest in culture, media and sport. I refer to Lord Jenkins of Putney, who was an eminent Minister for the Arts in the 1970s. When he moved to the upper House, he continued that interest—he is now 90 and still going strong—as chair of the theatre trust. His successor as MP for Putney and a Minister for the Arts was David Mellor, who was referred to earlier. I must find out more about the "Mellor splurge"; it sounds like a good idea to splurge money on the arts. I may disagree with him over certain matters such as his support for football teams—mine is Norwich City—and, principally, over politics, but we are in agreement about support for the arts.

I crave your indulgence, Mr. Deputy Speaker, before I review Government support for the arts in my constituency, in the London borough of Wandsworth, in London and nationally, for returning to the subject of broadcasting. I realise that that was the subject of a debate as recently as 29 October 1999, but I reflect that, if a week is a long time in politics, three weeks is a very long time; and I felt that, as I was unable to catch your eye on that occasion, the debate may have been slightly unbalanced.

I realise that in the House one does not criticise, in the absence of a Member, that Member's conduct, but I say very mildly that I was surprised that my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) took a very strong position on the Davies report before he and the other members of the Select Committee on Culture, Media and Sport had received evidence on the subject. The Committee continues to receive evidence. I hope that if, having taken that evidence, he is of a different view, he will express it to the House.

[Mr. Tony Colman]

I have complained to the Modernisation Committee that it is a great shame that, given the excellent work that Select Committees do—in this case reviewing the situation on the digital licence fee and the digital changeover—reports of their work are not made available, the following day, to all Members of the House so that it can be shared beyond the 20 or so Members of the Committee concerned. I hope that the Select Committee can publish its report well before the end of December, which is when the Secretary of State has said that he will take his decision. I suggest to my right hon. Friend the Member for Gorton and the Select Committee that they may therefore wish to speed up publication of their final report.

I very much support the Davies committee's conclusion that a digital licence fee for the BBC is the best solution. I believe that that would continue the established practice that people pay more when there is a major change in the technical capabilities of their main receiver. I believe that it is analogous to the introduction of television and later of colour TV. It would reduce resentment among those who have not adopted digital technology at the fact that about 10 per cent. of their licence fee was being spent on something from which they did not benefit. I strongly emphasise that; my constituents have told me that they share that view. Rather like the decision to give the Bank of England control in setting interest rates, once the initial decision was taken by the Government, it would remove the BBC licence fee from the arena of party political controversy for many years.

The independent industry experts DotEcon have said that

"those 'resistant' to digital TV are precisely those viewers who most value the types of programming in which they believe the BBC excels",

and they would "be . . . attracted to switch" to digital if the BBC were able to devote to it proper resources—which I believe would be forthcoming only from a digital licence fee addition. I strongly support that opinion. I believe that that is the only way—except for my second suggestion, which I am coming to—digital penetration would climb from the 50 to 60 per cent. plateau to the crucial cut-off that the Secretary of State has said must be met before the analogue signal is switched off.

Research conducted by the British Market Research Bureau—an independent research firm—on behalf of the BBC shows that the licence fee system is supported by the public in very large numbers. I therefore suggest that the Secretary of State should consider that option.

In his speech in the debate on broadcasting on 29 October, the Secretary of State repeated the two key tests that he originally mentioned in the Royal Television Society lecture on 17 September. They were, first, that everyone must be able to get the main free-to-air TV channels digitally, and secondly, that that must be affordable. I shall address those points.

I was surprised to discover that only 65 million TV sets are currently used in the United Kingdom. When one divides that figure by the number of people in the UK, the sums do not seem to add up. I have six TV sets. The oldest is a 1976 model, black and white, and still going strong. I purchased the youngest in 1989. I do not believe that it is unusual to have six sets because, on buying a new set, one does not throw out the old one; it is simply moved into another room. I am surprised to read the statistics showing that, supposedly, the average life of a set is only seven years. If we count back from 1999, that takes us only to 1992. It is extraordinary that there has been no real analysis of the number of sets that will have to be junked unless we take a different route.

I say junked, because at the moment no one seems to be talking about the need to convert existing sets. We have experienced the North sea gas changeover and had our houses invaded to have our TVs retuned for Channel 5, so what is wrong with the idea that all existing TV sets could be converted? No one is talking about that. It has not been on the public agenda. I draw it to the attention of the Independent Television Commission/Oftel/Office of Fair Trading working party, and of the retail industry and the media.

I see today that Carlton Communications and United News and Media are about to amalgamate and become a £7 billion conglomerate. We have BSkyB and the Murdoch corporations. If the Government brought together the media and retailers, who have a great interest in selling all the add-on products that can come with digital, it might be possible to ensure that the existing sets can be converted. I would suggest that the conversion be free of charge for those who are of pensionable age, and that there be a very minor fee for those below that age. That is in all our interests. Tremendous advantages will flow from digital radio and TV, and it will give the country a world lead. However, no one—but no one—has suggested that as a way forward. I strongly believe that it should be investigated. As Mr. John Clare, chief executive of Dixons, has said, to meet the challenge of the switch-over, we need to put the consumer first. Amen to that. I do not believe that it has happened yet.

After that slight diversion, re-running the debate of three weeks ago, I shall resume my consideration of Government support for the arts. I shall first review the situation in my constituency and borough. Although it may be rare for me to do so, I pay tribute to Wandsworth council because it has provided good support for the arts. In particular, I commend its support of the Battersea arts centre, which makes real, live arts provision not just for Putney, Battersea and the London borough of Wandsworth, but for the whole of London. The council funds it jointly with the London Arts Board.

The Wandsworth arts festival is just coming to its end. It has been running for more than three weeks and, as part of a partnership with the festival, Wandsworth council has given £37,000 net, including grants. Over the three weeks, there have been 175 performances. The festival included a dance week at the Battersea arts centre, a Wandsworth film week, which built on the film fund offered by the council in association with the London Film and Video Development Agency, and a community programme. We all have much to learn from the way in which Amber Valley has developed its community programmes, but we had a good programme in Wandsworth too. My hon. Friend the Member for Rotherham (Mr. MacShane) might be interested to learn that Young's brewery sponsored a series of "Poems with your pint". They were very well attended and brought poetry to beer drinkers who perhaps did not expect to be listening to poetry when they were seeking a good pint of Young's best. The vibrant local arts economy is reflected by the Wandsworth arts festival.

I wish to draw attention to certain parts of my constituency. The Roehampton institute has an excellent dance and drama department and does world-class work in music therapy. Group 64 has worked at the Goodrich theatre since 1964 and it obtained a lottery grant of more than £300,000 to purchase the theatre and to upgrade it. It is a tremendous site for a whole range of theatrical provision for the Putney area.

I also draw attention to the work of Music For Youth. We have heard about the National Foundation for Youth Music, which the Government have introduced recently, but Music For Youth, which is based in Putney, has been going for 25 years. It has largely commercial sponsorship. This year, the BBC held an excellent children's prom in the park, and I commend it to anyone who could not attend. However, Music For Youth has staged promenade concerts for all its 25 years. At the beginning of November, it packed the Albert hall night after night with music makers of all ages under 18. That provided a showcase for children, but the company holds concerts throughout the United Kingdom, including Northern Ireland. I commend its work to the House.

The Children's Film Unit is also based in Putney, and it very much needs Government support. It previously received strong commercial sponsorship, but that has faded of late. My hon. Friend the Member for Hampstead and Highgate (Ms Jackson) cut her teeth at the unit and appeared in its films early in her career.

I have described a range of what is happening in Putney. If the Minister has the time, I would welcome it if he could attend the last event of the Wandsworth arts festival, which will be a performance tomorrow evening—Saturday—by the excellent Wandsworth symphony orchestra in St. Mary's church, Putney. I represent a vibrant community that receives significant support from local government and central Government through the funding of the London Arts Board.

The second theme that I wish to consider is London. I had hoped that more Members from outside London would be present today, but I am pleased that my hon. Friend the Member for Amber Valley (Judy Mallaber) is still here. The all-party group on London arts and culture was set up because we thought that London's case was going by the board. If hon. Members wish to hear more, the group will hold a meeting on 9 December, at which it will discuss mayoral strategy. It will discuss how the mayor and the Greater London Authority can ensure that provision for culture, media and sport takes account of the needs of all London. I pay tribute to the vice-chair of the group, the right hon. Member for Cities of London and Westminster (Mr. Brooke), who is an eminent Member of the House and a former Secretary of State for National Heritage.

A question on the lips of people outside London—it has not been asked yet today—is why London receives more in arts funding than other regions. I must point out that London is three cities in one. First—alongside New York, Tokyo and Paris—London is one of the four great world cities. It is the United Kingdom's central showcase for British and international talent. Often, international artists and companies can exhibit or perform elsewhere in the UK only if there is also a London element to their tour to make it viable.

London is one of the most culturally diverse cities in the UK; 45 per cent. of British ethnic minorities live in London, making up almost 25 per cent. of the city's population and speaking some 300 languages. By 2001, more than one third of Londoners will be from ethnic minority groups. London's cultural diversity is inextricably linked to its creative and artistic diversity.

Secondly, with more than 7 million residents, London is the largest city in Europe, and it is growing. Every day, 1 million people commute to central London; 2 million British people make a day trip to the city, and half a million stay overnight. London's daytime population is getting on for 10 million, which is 21 per cent. of the total for England.

Thirdly, and perhaps most important, London is a city of great need: 13 of the 20 most severely deprived districts in England are in London; 65 per cent. of the most deprived estates are in London; and one third of Londoners are in poverty or on the margins of poverty. London has the highest rate of serious crime in the UK, and the highest level of street homelessness, and inner London has double the national proportion of children living in poverty. That is why I strongly urge the House to recognise why the level of funding for the arts in London is as it is, and why London should get more.

London is a very special place for the arts. One third of all the artists in the UK are living and working in London. They include 29 per cent. of the visual artists, 30 per cent. of the photographers, 40 per cent. of the musicians, 41 per cent. of the writers, 50 per cent. of the actors and 80 per cent. of the dancers. London has a concentration of artists and centres of excellence that we need to support. London is the seedbed of the arts and it is a magnet for creative talent from around the world. Londoners are more likely to go to the arts than people elsewhere in the country. In London, 2.5 million adults regularly attend the arts. There are 83 million cultural attendances in London each year. I have read out those statistics because that case is not often made.

People ask why London receives so much of the lottery funds for the arts. Again, I want to make it clear that the view is skewed, because almost half—49 per cent.—of the total funding for London has been awarded to projects of national significance. We have heard, for example, about the Royal Opera house. The rest, 51 per cent., goes to projects of regional or local benefit. It is extremely important to separate those two categories.

In terms of large-scale capital grants, London has received 18 per cent. of the arts awards for England, which is 39 per cent. by value, but 70 per cent. of that has been for national projects. Discounting the funding for those, London has received only 12 per cent. of the total. It is important to focus on that point. A great deal of investment is needed to extend the work done with that 12 per cent. of funding to the socially deprived areas of London, as well as to restore the crumbling buildings of the national institutions that are often the home of the greatest and finest artistic work in the UK.

Those are responses to the questions that are asked. I shall suggest other areas of additional funding that the Secretary of State may want to consider. Before coming into the House, I was the leader of an outer-London borough council. Outer London, in particular, has had a raw deal over the past 30 years because so much of the funding has been concentrated not only on national institutions but on inner-city boroughs. I now represent such a borough, because my constituency is in

[Mr. Tony Colman]

Wandsworth, so hon. Members may ask why I am pleading for the outer boroughs, but it is important to be fair, and we are promoting fairness and enterprise.

Judy Mallaber: In the light of his comments, does my hon. Friend agree that there should be fairness also for areas outside London where, in the past, it has been virtually impossible to get any lottery funding? I refer to areas such as my own, where small community groups have not had access to funding because they have not been able to get the partnership funding that goes with making an application.

Mr. Colman: Yes, I certainly agree. I was pleased to find that in the East Midlands arts board area, which covers Amber Valley, the increase in funding this year was some 14 per cent., while the increase for London was 10.8 per cent.

There is a move towards balancing funding, but I am making the case that the move should not be too great because the figures often quoted for London do not adequately take account, first, of the sheer deprivation in much of London and, secondly, of the wastelands of outer London that have not had the arts funding and provision available elsewhere. I am not suggesting that the position is as bad as it is in Amber Valley, but there is a need for rebalancing.

On the national scene, I want to echo the points that others have made about the three aims: to make Britain a world centre for the best in arts and culture; to open up the arts to the greatest possible number of people; and to maximise the potential of the arts to expand people's horizons. Given that I have several children, I have taken advantage of free entry to national museums and galleries. I recently spoke to Sir Neil Cousins, who said that the average entry to the science museum was one adult for every eight children. People who say that they are going to the museum are asked to scoop up the neighbourhood's children. It is great that children in this country are reclaiming their heritage and are able to learn and understand through going to museums. I praise the Labour Government for introducing free entry and I look forward to the changes that are proposed for the future.

I also applaud the new audiences fund, which allows new groups of people to experience the arts through cheap ticket schemes. I pay tribute to Vivien Duffield, who funds a charity called Curtain Up, which, on two occasions, gave awards to the Polka theatre to enable it to invite schools that had not been able to go before. I hope that the new audiences fund will be able to work with the Vivien Duffield fund to ensure that adults as well as children can visit not only mainstream theatres, but others such as the Polka theatre.

I applaud the £30 million from the lottery and the additional £150 million from the Department for Education and Employment that has been awarded to the National Foundation for Youth and Music to revive music in schools. My right hon. Friend the Member for Camberwell and Peckham (Ms Harman) will say more about that if she catches your eye, Mr. Deputy Speaker.

I am also pleased that dance and drama students are able to get proper grants and assistance. When I was a local authority leader, I was appalled by the very limited number of discretionary grants that could be awarded to such students under the previous Government. There were cases of real hardship, and I am pleased that the Labour Government have been able to act. I welcome the announcement that my right hon. Friend the Secretary of State made this morning.

One learns many things as a Member of Parliament. I attended the excellent Association for Business Sponsorship of the Arts pairing scheme reception and was astonished to find that Putney's pairer was the Australian Tourist Commission, whose offices are in Putney. I found that it had paired itself with Wigmore hall. I thought that that was a strange pairing, but it shows that one should not take a stereotypical view of Australian cultural interests, but reflect on the range of opera singers and musicians that have come from that excellent country.

The Secretary of State said that it was important to introduce children to the arts at an early age. The list of arts lottery funds for refurbishing 531 arts buildings included the Sheringham Little Theatre in Norfolk. I grew up in Sheringham, which is a town of approximately 5,000 people. I am glad about the outreach that is happening there. The Little Theatre building was once a cinema, but it has survived as a theatre. I recommend "The Wind in the Willows", which will be performed at the Sheringham Little Theatre on 4 December. I am sure it will surpass the National Theatre's production.

Another point that I take from my childhood is the desperate need for libraries. There were few books in my home, and it was wonderful to be able to go to the library and take out eight books at a time, and to use the wonderful library system across the United Kingdom. I applaud the Secretary of State's efforts to retain libraries. The last thing that I depended on—this brings me back to where I started—was children's radio. Huge possibilities for education and developing imagination are available through radio and television.

Jennie Lee's introduction of the Open university—she is the last arts Minister I shall mention—was a defining moment for the Labour Government of 1966-70. The defining moment of our next period of office, if the electors return a Labour Government next time and the switch-off happens in 2006, should be the provision of free access to digital radio and television to all old age pensioners and its provision at little or no cost to those under 60, to ensure that the tremendous potential for education, access and excellence, particularly through the BBC—that is why I endorse the proposal for a digital licence fee—is fully exploited.

This could be the most interesting achievement for which the next Labour Government is remembered, if we are returned to office. We should give all people, however poor, access to digital television. Integrated digital sets currently cost £699. I leave the House to ponder that figure. There has to be a cheap way to convert every television set in the country. My right hon. Friend should devote himself to that idea. If he does, I shall give him great support.

12.16 pm

Mr. Robert Syms (Poole): Like other hon. Members, I apologise to the House for having to leave before the winding-up speeches. I had not intended to contribute to the debate, so when I went into the Whips office yesterday I did not realise how important my contribution would be.

I have an appointment and there are road works on the way, so I am afraid that I shall have to leave—but I shall read what the Minister and my hon. Friend the Member for West Suffolk (Mr. Spring) have to say. For someone who does not necessarily get too involved in the arts—I get involved in other things—this has been an interesting debate. It has made me think about the importance of the subject to my constituents and to the country.

I agree with some of the points that the Secretary of State made about the importance of the arts for the young. When I go into a home in my constituency, I immediately look for the bookshelf, because I am nosey and I like to see what people read. Worryingly, in many homes these days there are no bookshelves. It is very important that young people should have an opportunity to get immersed in the arts and have a flavour of what they are about, so that, if they wish, they can participate or continue to gain enjoyment from them throughout their lives. My interests were sparked when I was at school. It is very important for the arts to be dovetailed with education. We should try to increase the number of people who take an interest.

The arts in all forms are important for all parts of the community: for children at school learning to play music; for family entertainment, including the pantomime; for young people crowding to see the latest film; for the discerning listener to classical concerts; and for the artists themselves. People sometimes deride pantomimes, but many of our theatres, particularly the regional theatres, survive on the profits of the Christmas pantomime, because that is the only time that they can guarantee full houses of people paying for the use of their facilities. That enables theatres to cross-subsidise other schemes.

The arts are important to our nation. There are 1,200 performing arts venues in the United Kingdom, including theatres, concert halls and arts centres; more than 700 performing arts companies; and 2,500 galleries and museums. More than 550 festivals are held each year across the country. According to a survey in 1991, almost 80 per cent. of the public attend some form of arts event. In 1996-97, the target group index survey showed that 9.6 million people attended plays, 4.9 million attended classical concerts, 8.8 million went to art galleries and exhibitions, 2.6 million went to the opera, 2.5 million went to hear jazz, 2.6 million went to ballet and 1.7 million went to contemporary dance. Those figures show the importance of the subject.

A recent overseas leisure visitor survey found that 29 per cent. of tourists considered visiting artistic exhibits and 18 per cent. considered that attending performing arts was of particular importance to their decision to visit Britain. The British Tourist Authority estimates that more than £2 billion a year is generated by arts-related tourism.

When I go abroad and when I talk to foreigners who come to our country, they do not only say where they have been—they often mention the shows that they have seen or the houses that they have visited, because those memories stay with them for many years. As the hon. Member for Putney (Mr. Colman) pointed out, the quality of our broadcasting, especially public service broadcasting, has kept standards high, but our language also gives us a tremendous advantage. That advantage is not always appreciated, but I believe that the English language helps our culture and our art to spread worldwide.

The last Government had a good record. They set up the national lottery, which has been a tremendous boon to the arts and many other spheres. A 1991 census showed that the number of people working in the arts and culture industries had increased by 34 per cent. since 1981, to 649,000—2.4 per cent. of the working population. I suspect that the trend will continue, and that more and more people will find themselves and their working lives involved with the arts.

We must not forget the importance of the arts to industry in general and to our balance of payments. In 1995, the value of the music industry alone was estimated to be £2.5 billion, including earnings generated overseas. That makes it larger than the chemical or the motor industry in terms of exports. Pop singers in particular do an excellent job in taking culture abroad and earning money for the country.

As has already been said, the arts are important to urban regeneration. During the 1960s and 1970s, cities lost population and became unfashionable, but we are now seeing a new trend. It started under the last Government, but I think that it will continue. Cities, and particularly city centres, have become more fashionable—because of, for instance, travel problems and petrol prices, many young professionals prefer to live in them.

Access to theatre and the other arts is important to those who wish to stay in cities. Members of Parliament are fortunate in that we spend some time in the capital, which, despite the hours that we work, gives us time to enjoy theatre and the culture of London in general, but we should remember that the rest of the country also needs to be served and that we need vibrant regional centres. Poole has a good arts record, but many people, especially in rural areas, have insufficient access to culture. I grew up in north Wiltshire, so I know that Bath and Bristol have always provided an outlet for those wishing to benefit from the arts.

We must continue to nurture the arts and the talent that our country contains. I am rather sad about some of the trends in arts funding under the present Government; I am particularly saddened by the reduced expenditure in terms of gross national product, about which we heard earlier. I realise that all Governments have difficulty in determining priorities, and that a growing economy will include real spending on the arts, but we should continue to make adequate provision.

Concern has recently been expressed publicly about a number of areas that are receiving insufficient funding. I make no judgments, especially on individual schemes, but we have heard that English National Opera in London has had to abandon plans for a new £100 million building to replace the Coliseum because the Arts Council is short of money. The Harbourside centre in Bristol had high hopes of Government support and believed that it had been promised money, but the Arts Council has refused it a £58 million award, again because it is short of cash. I went to school in Bristol and I know that there are tremendous opportunities for development and arts in the centre, where the docks are.

The South Bank centre has been seeking £100 million for improvement to the Royal Festival hall, but the Arts Council as said that the scheme is too big and that the maximum award would be £25 million. The Royal Shakespeare Company, at Stratford-upon-Avon, wants money to rebuild its main theatre, but has been told that it will have to wait for the money. There were plans to build a national museum of discovery, but they collapsed after the Millennium Commission withdrew its offer of a

[Mr. Robert Syms]

£27 million grant—and after £500,000 had been spent on the plans. Some of those projects may be good and others may be bad. Generally, however, there are problems with arts funding.

Total spending on the arts, including both local and central Government spending, has fallen in real terms. Expenditure on films, for example, has decreased from £25 million in 1996-97 to an estimated £22 million in 1998-99. Expenditure on total arts has fallen in real terms from £1,052 million in 1996-97 to £974 million in 1998-99. As mentioned earlier in the debate, total expenditure for the total arts, as a percentage of gross domestic product, has fallen from 0.14 per cent. in 1996-97 to 0.11 per cent. in 1998-99.

We have already debated developments in the national lottery. Over the entire period of the current lottery licence, about 28 per cent. of the value of ticket sales will be paid into the national lottery distribution fund. Until October 1997, each of the five good causes received one fifth of all the money.

As we all know, the Government have established the new opportunities fund, which has taken some of the money from the five good causes. Although one could easily argue that some of the causes benefiting from the diversion of resources are important, the diversion has breached a principle. I am concerned that although the lottery was established on the principle that the money would effectively be ring-fenced, the Government have breached the principle to fund programmes that previously would have been funded from general taxation. One wonders whether the principle will be violated again.

Had the principle been observed, the arts share of the national lottery fund proceeds—£10.9 billion—would have been £2.2 billion. On current figures, because of the diversion of lottery proceeds, the arts will receive closer to £1.9 billion. The difference in the sums is the source of the £300 million figure mentioned earlier in the debate. Opposition Members will be watching very carefully what the Government do with lottery proceeds. We should not use ever more lottery proceeds to pay for programmes previously funded from general taxation.

In 1994, a European Union directive insisted on harmonisation of value added tax. The previous Government negotiated a deal under which, for four years, Britain would impose VAT at only 2.5 per cent. This Government have failed to negotiate an extension of that concession and have admitted that they must introduce legislation to implement the 5 per cent. levy, which will bear various costs. Although I appreciate that various figures on lost jobs and money have been thrown around, many people working in the British art market believe that the change could cost 5,000 jobs and £68 million annually.

Poole is a regional arts centre. Back in the 1960s, the local authority made a big investment in Poole arts centre, which is one of the south-west's principal arts centres. However, Poole borough council—which I spoke to yesterday—is a little concerned about yesterday's announcement on the local government settlement and standard spending assessments. Although education SSAs will increase 3.6 per cent. and social services SSAs by 4.7 per cent., overall funding will not be increased by a similar amount, so that other services will be squeezed. Arts funding, of course, always has to come from funding for other services, putting local authorities under pressure.

My local authority is also concerned that the Government keep inventing schemes requiring arts organisations essentially to drop everything else and submit a bid. Hon. Members should remember that council officers must put a lot of time and effort into submitting those bids. Although, as a market-orientated Tory, I believe that competition is important, I also believe that we should not go overboard on competitions, so that people have to spend too much time applying for various schemes. I hope that the Government will create fewer such schemes.

Poole arts centre is run by an independent trust. This year, it has staged 2,700 performances. It has attracted 210,000 ticket buyers and countless others who use the centre. The trust has just won a capital award of £6 million from the Arts Council towards the cost of modernising the centre. This is one of 46 schemes nationally that survived a recent review which excluded 300 others, so evidently Poole is doing something right. It also says something about the high regard in which the arts centre is held.

The trust has appointed a world-class team of architects, Alan Shorts and Associates, to design the scheme, and final approval will be requested from the Arts Council early next year. The borough of Poole is fully committed to backing the scheme and is digging deep to make it happen. It will provide £550,000 in support annually and has agreed in principle to give £1.5 million towards the costs of the capital scheme. The people and the borough of Poole are very committed to supporting the arts centre, which is greatly valued by my constituents.

The right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) expressed his sadness that the Bournemouth Sinfonietta has had to close. The Bournemouth Symphony orchestra is based in Poole. Many organisations which are based in my constituency are named after the neighbouring borough. They include Bournemouth university and the Bournemouth Symphony orchestra. Indeed, we have better beaches too.

The Bournemouth Symphony orchestra is one of the premier orchestras in the country. Its standards of excellence are recognised at home and abroad and its international reputation extends to London and throughout the world. The orchestra has a 106 year history and represents the region of the south and west from its base in Poole. Its key venues are Poole, Bournemouth, Basingstoke, Southampton, Portsmouth, Bristol, Exeter and Weymouth—so Poole can claim to be the artistic capital of the south and the south-west. The orchestra has produced more than 300 recordings and public attendance at concerts in Poole so far this year amounts to more than 40,000. The borough also provides an annual grant of about £130,000 to the orchestra. People in Poole are tremendously committed to the arts centre and the arts. Poole is a go-ahead area that wants to develop educationally and industrially.

It is also important to have a good arts infrastructure. People are influenced by what facilities there are, particularly in terms of inward investment, but also in terms of living in a particular community. As we move into the next century, people increasingly realise the

importance of arts in their lives. If they want an area that has good arts and nice beaches where the sun shines regularly, I can recommend Poole.

12.33 pm

Mr. Barry Gardiner (Brent, North): I cannot boast beaches in Brent, North, I am afraid.

The House has been bombarded with statistics this morning. Perhaps we should focus on one that was revealed only two days ago: in Britain, people spend more of their income on leisure activities than on food, housing or any other single item of expenditure, yet 50 per cent. of our population do not set foot in a theatre, concert hall, opera house or art gallery from one year to the next. That is why the three issues that my right hon. Friend the Secretary of State focused on this morning—excellence, access and education—are so important.

I want to refer first to the theatre. I declare an interest as a former director of the Cambridge Arts Theatre Trust which was originally set up by John Maynard Keynes. Let me relate to the House some of the work in which I was involved. Part of the problem with theatres in this country is that they are in old buildings, where access is tremendously difficult to arrange. I had the privilege at the Cambridge Arts Theatre Trust of working with Professor Stephen Hawking—not simply to provide wheelchair spaces in the refurbishment of that theatre. Access is not just about the size of doorways, the capacity of the lifts or slopes instead of steps. Slopes instead of steps may be great for wheelchair users but they are a nightmare for the partially sighted. Colour schemes in elegant shades of burgundy may give the warm and classy feel deemed appropriate by theatre managers, but they cause injury to visually impaired theatre-goers, who need bold contrasting colours to indicate steps and gradients, as well as handrails and clear signing. Induction loop systems are needed for those who have hearing impairments.

I welcome the action taken by my right hon. Friend the Secretary of State to establish the new audiences fund. It is right that schoolchildren and students should be encouraged to experience and enjoy theatre, that the arts should be taken to geographically isolated audiences and—through the transport provisions that the fund makes available—that those audiences should be brought to arts experiences. I urge the Secretary of State to look at access, particularly for people who are disabled, and to consider setting up a separate disability access conversion fund for arts venues in this country.

I now wish to refer to music, and to orchestras. Again I declare an interest, as a former director of the Britten Sinfonia and as someone whose 11-year-old daughter is a member of the National Children's orchestra and a junior academician at the Royal Academy of Music. I welcome the Secretary of State's funding package for regional and London orchestras. The commitment to wipe out the historic deficits of those orchestras has lifted a great weight from the shoulders of some of our finest musical institutions.

I cannot over-stress the importance of regional orchestras. For them, excellence is absolutely central, and that involves establishing a core group of musicians who are committed to the orchestra. When I worked with the Britten Sinfonia, we were fortunate to be able to do that with Nick Daniel, the celebrated oboist, and Nick Cleobury, the musical director and conductor. We ensured that there was a committed group of fine musicians who formed the core of that orchestra.

For those who do not understand the way in which orchestras work, it may seem strange that I talk about a core, but all orchestras are made up of a fluid group of musicians. Some always play, while some are brought in for one concert or another. It is vital that excellence is at the heart of our regional orchestras. The Cambridge symphony orchestra—the precursor to the Britten Sinfonia—did not survive because it could not focus itself in that way.

Spreading excellence in our orchestras into the regions is vital. I echo the remarks of those hon. Members who have mourned the passing of the Bournemouth Sinfonietta, a very fine regional orchestra. The hon. Member for Poole (Mr. Syms) was right to draw our attention to the fact that the Bournemouth symphony orchestra still survives.

In looking at the work done in our regional orchestras, we can take Sir Simon Rattle as an example. He took what was in those days a second-class regional orchestra—I am sure that they would not be offended by my description—and has created out of that the City of Birmingham symphony orchestra. It is now one of the world's few great orchestras. We have enormous musical talent in our regions and the Government have rightly focused resources there to ensure that it is recognised.

The orchestra undertook projects with local schools. When I chaired the perhaps quaintly named amenities and recreation committee, we established free priority seats for children, as well as enabling them to attend rehearsals and see the mechanics of an orchestra and the way in which it interacts with the conductor. There are many ways in which children can be given access to our regional and national orchestras outside prime concert-going time.

About a year ago, Sir Simon Rattle was influential in drawing attention to the way in which our orchestras were suffering because of the sudden dearth of competent young musicians coming up through the ranks, which was partly due to the situation in our schools. Through lack of funding and the refocusing of the curriculum, music had been pushed out and there was a dearth of young orchestral players.

I welcome the £30 million that has been provided through the new National Foundation for Youth Music and the £150 million that the Department for Education and Employment has contributed to revive music in schools, but it is not enough. It is right that we have focused on standards in English, mathematics and science, but, at a meeting last week in my constituency, teachers and head teachers said clearly that they feel that they are teaching to the tests and that much of the broader focus of the curriculum has been lost.

That is not simply an excuse for bad teaching. It is right to focus on matching the standards of our European competitors in English, maths and science, but the Government should ensure that music, drama and sport do not get lost as a result of the loss of good will under the previous Government and the refocusing of our education system under the national curriculum.

Mr. Maclennan: Does the hon. Gentleman agree that research in Switzerland and the United States suggests

[Mr. Maclennan]

that studies in the three Rs are considerably strengthened and performance greatly enhanced by the study of music and instrumental tuition?

Mr. Gardiner: The right hon. Gentleman is absolutely right. Music is rightly seen as a handmaiden of mathematic and scientific achievement—indeed, music is mathematics; the two are integrally related. If, in the cultural life of this country, we are to achieve the sort of impact in the arts and music which we want and which has been clearly set out by my right hon. Friend the Secretary of State, we must do more to broaden our children's educational opportunities in those subjects.

Only last week, I wrote to my right hon. Friend the Secretary of State about an assiduous constituent who corresponds regularly with me and who has catalogued a list of inaccuracies, such as dates and errors of science, in the explanations provided by museums throughout the country. I urge my hon. Friend to examine the letter with great care and to contact the institutions concerned, which range from the national maritime museum to the science museum.

I welcome the Government's achievements in opening up access to our great national galleries and museums by children and, soon, old age pensioners. I should like free access to be extended further, to students as well as children up to the age of 16. However, as my hon. Friend the Member for Putney (Mr. Colman) said, it is tremendous that adults take neighbourhood groups of up to eight children with them into our national galleries, thus reclaiming those children's inheritance. I am tempted to add that my hon. Friend could form such a group with his own children—I believe he has six. It is wonderful that communities are reclaiming our national galleries and museums in that way.

Maintaining museums is a statutory function of local authorities, but, all too often, they do not regard that role as a priority. Many regional museums are poorly resourced and, worse still, unattractive educational experiences to those who might otherwise visit them. Therefore, I welcome the £15 million fund set up by my right hon. Friend the Secretary of State to benefit 43 designated museums in England. That is an important step, which brings me to the point raised by the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan): the issue of local authority funding. That funding is statutory in respect of museums, but not in respect of leisure and recreational activities and the arts in general.

My right hon. Friend the Secretary of State can take pride in a list of notable achievements and successes. He has transformed the position of the arts from one in which people in the arts were depressed because they did not feel valued to one in which they feel recognised and valued by a Government who are committed to them.

I welcome the new audiences fund, the free access to national museums and galleries, the National Foundation for Youth and Music, the national endowment for science, technology and the arts and the new funding package for our orchestras, but much more focus needs to be concentrated on protecting arts, recreation, leisure and museums in local government. Many of the artistic resources that local people enjoy are carried out on a voluntary basis perhaps with some small grant aid from local authorities or are financed directly by the local authorities. Because arts and recreation are not a statutory funding element of the local authorities' obligations, the funding is decreasing year on year as they feel the pressure of commitments in other areas. That is understandable.

Local authorities have to focus on key areas, such as social services and education, where they must deliver, but the Department for Culture, Media and Sport should be much more in evidence in the negotiations in Cabinet and with the Treasury on the local government funding settlement and standard spending assessments. If more resources could be directed at local government, that would genuinely transform the situation on the ground in a way that large regional grants—welcome though they are—and redistribution to the regions cannot achieve.

This morning, I asked my office to contact my local authority, Brent. I knew that I would mention local organisations, such as the Tricycle theatre and its wonderful "pay what you can" nights, and as a matter of courtesy I wondered whether the local authority wished me to raise any issues in this debate. I received a pager message some 45 minutes later which read, "Even the chief executive's office have no idea where recreation officer is located. Have tried about five offices. Waiting for a call back." That is the level of the prioritisation of arts and recreation in my local borough.

I understand the strains on local authorities and the pain that they face. My local authority received the worst local government settlement last year and Brent is the 20th most deprived borough in the country. I know how limited resources have had to be targeted, but I would hazard a guess that many local authorities have no proper arts strategy. They should have, but many have not seen it as a priority given all their other commitments. Unless we make it a statutory obligation for local authorities to act to provide services in arts and recreation, we will never see it given the priority that my right hon. Friend the Secretary of State set out this morning as the ideal to which we are committed.

Finally, I want to refer to poetry. Again, I declare an interest, in that my wife is a published poet who has received an Arts Council award. I should like to correct my right hon. Friend's assertion that few people make poetry their profession. To my knowledge, in this country there is only one professional poet—in other words, a poet whose only income comes from the poetry that he writes—and that is Tony Harrison. Most poets have to subsidise their income by giving lectures, holding workshops or facilitating some other community education activity. I believe that Tony Harrison is the exception to that, although he also does a lot of theatre work and has translated Greek classical drama.

Statistics show that more than 60 per cent. of people in this country write poems or scribble rhymes—no doubt sometimes as a joke or as therapy, but the figure is still extraordinary. Yet poetry is the art form that is least read and least purchased. I urge my right hon. Friend to look at how poetry can be promoted in this country.

The Arvon foundation is a shining example that poets have long valued. Why is that foundation alone in being a resource to which people with an interest in poetry can go to take part in workshops, and to be educated and trained in their art? Why are there not 20 such foundations in the country doing similar work in all our regions?

The focus of my right hon. Friend's remarks was on excellence, access and education. Only if we have excellence at all levels will people want to go and see the arts. People—whether they are disabled or isolated by geography—must be able to have access to the arts when they want it. If we are to have a thriving arts culture in this country, art must be at the centre of our children's education.

12.59 pm

Mr. Geoffrey Clifton-Brown (Cotswold): I am delighted to be able to take part in this debate on the funding of the arts. At the heart of the debate is the Government's philosophy with regard to the arts. That philosophy must be examined carefully to see why arts funding is being cut.

Perhaps peculiarly for a Conservative Member, my hon. Friend the Member for East Surrey (Mr. Ainsworth) quoted John Maynard Keynes in his speech. Keynes was the person who gave back confidence to the world of the arts after the shock of the second world war, and enabled it to go forward. The passage is worth quoting again for the benefit of hon. Members who were not in the Chamber to hear it before, because what he said was extremely important:

"everyone, I fancy, recognises that the work of the artist in all its aspects is, of its nature, individual and free, undisciplined, unregimented, uncontrolled. The artists walks where the breath of the spirit blows him. He cannot be told his direction; he does not know it himself. But he leads the rest of us into fresh pastures and teaches us to love and to enjoy what we often begin by rejecting".

That is the philosophy behind why we should fund the arts. It is sad that funding is being cut, and I will come on to that shortly.

I should like to discuss aspects other than simply funding of the arts. The role of the lottery, the taxation system, the policy on European directives, VAT rates and droit de suite have not been sufficiently aired in the debate and need to be covered.

Before I deal with that, and in line with my opening remarks on the Government's philosophy, I wonder why they are tinkering so much with the Arts Council. Why do they want to cut the number of board members from a chairman and 22 members to 10 members, abolishing the automatic right of regional members to serve on the Arts Council? The Government's policy seems to be to increase regionalisation, but is that necessarily right? I have my doubts.

The Government appear to be getting into a mess over the Arts Council. There was a fairly quiet do at No. 10 earlier this year. Fortunately, Norman Lebrecht was there to tell us what went on. He discovered that Derrick Anderson, chief executive of Wolverhampton and a member of the Arts Council, uttered the following apostasy:

"We will need to lay to rest the sham of the arm's-length principle. We will need to replace this protectionist nonsense with a sensible adult partnership between government and those involved in cultural development and creative production."

The new Labour chairman of the Arts Council, Gerry Robinson—who, as we all know, is a little sympathetic towards the Labour party—then denounced this. Wanting to put daylight between himself and the errant Anderson, he said:

"I couldn't disagree more passionately with what he said".

Despite that disagreement about what is supposed to be happening in the Arts Council, I note that Mr. Robinson did not ask Mr. Anderson for his cards. We must look very carefully at what the Arts Council is doing.

Although the Government are increasingly regionalising the Arts Council, it is not always funding that is important. I come from East Anglia, which has the excellent Theatre Royal in Norwich. My hon. Friend the Member for West Suffolk (Mr. Spring) knows it well. The Theatre Royal has received no regional grant from the Arts Council this year, yet it is an extremely successful regional repertory theatre.

Mainline theatres may provide the main bulk of the arts, but the smaller repertory theatres provide the research and development of the theatre world. They are responsible for new productions and new talent, and we should therefore give them due attention.

Although, as I say, the Theatre Royal received no regional grant this year, it still managed to make a surplus of £181,000. Along with six other regional theatres, it has just embarked on a new all-male version of "Swan Lake". The production's genesis has taken three years, but it is estimated to take at least £1 million in box office receipts when it comes on stream in the next few days. That is an example of how regional theatres can combine and be successful, albeit with little grant from the Arts Council,

It is a pity that the Government are not more robust on Europe. During the last Session, I took part in a debate on the VAT directive on art. Before the directive's introduction, no VAT was paid on imported art that was not immediately re-exported. The previous Government were obliged by the European Union to introduce VAT at 2.5 per cent., but a derogation was given for four years before the rate had to rise to 5 per cent. That derogation ended this year, but it would have been helpful if the Government had argued forcefully that it should become permanent.

I am moderately pro-European, but this is an example of the sort of matter in which the EU tinkers unnecessarily. There would be an argument for increasing the VAT rate to the minimum set down by the directive if Europe would derive some benefit from it. That is not so. The benefit will be derived by other art market centres, such as Geneva, New York and Tokyo. The extra tax burden will simply drive important art trade away from London and out of the EU, costing jobs.

A second measure forced on the Government by the EU is the German and French droit de suite, which provides rights for an artist during his lifetime and for his heirs for 70 years after his death. If that is forced on us, it will cost at least 5,000 jobs in the art industry and will reduce our income. I urge the Government, even at this late stage, to consider whether it is necessary to implement droit de suite in all its bureaucratic dimensions.

I shall turn now to tax regimes. The environment for making films in the United Kingdom is not as advantageous as that in our nearest rival, the south of Ireland, where there is a considerably lower corporate tax rate. I accept that the Government introduced a helpful measure in the last Budget, but I urge them to go much further. Major box office successes, such as "Four Weddings and a Funeral", would not have been made without outside investment, principally from the United States of America. That film was a great success and has

[Mr. Geoffrey Clifton-Brown]

benefited our balance of payments. We should encourage our at-long-last successful and burgeoning film industry by regularising the tax regime.

The lottery also has a role in funding the arts. The previous Government set up the lottery, one of the most successful means of levering new money into the arts since the second world war. Originally, there were five good causes, and lottery receipts increased substantially. From its inception until the general election, the lottery provided £1 billion for the arts alone. Unfortunately, the new opportunities fund set up by the Labour Government will mean a so-called raid of £1 billion from the lottery. The arts will lose £300 million, which is a pity.

I do not deny that some of the causes covered by the new fund are worthy, but causes such as cancer treatment should be funded from mainstream taxation. How many more diversions will there be from the five original good causes? The more money is diverted, the more the arts and the other good causes must suffer. That is regrettable and I ask the Minister to consider it carefully.

I want to discuss funding. As my hon. Friend the Member for East Surrey said, the amount spent on the arts has fallen from 0.14 per cent. of gross domestic product in 1996-97 to 0.11 per cent. That is a pity and a big disappointment; the expectation of the arts world was greater. My hon. Friend the Member for Beckenham (Mrs. Lait) illustrated the point in her supplementary question to the Minister when he announced another £125 million for the arts. She said:

"if that sum is so generous, why is it that everyone I meet in the arts feels let down by the Government? Is it because they were led to believe that they would receive £290 million, rather than £125 million? Is it also because they feel cheated by the raid on the lottery money that should have gone to the arts, but is being used for social programmes?"—[*Official Report*, 22 November 1999; Vol. 339, c. 330.]

My hon. Friend was right. The arts world feels cheated and let down by the Government. I hope that, through the Arts Council, it can look forward to better things.

The Government profess to invest in all sorts of good causes. So little of our national spending goes on the arts that they could look carefully at what they spend. The Minister's budget is about £1 billion a year, of which £400 million is spent on the arts. That is about 0.25 per cent. of our total spending. It is tiny, and given our great cultural heritage, we should look carefully at that. It was regrettable, for example, that one of the Government's first acts on coming to power was to cut the national heritage memorial fund from £5 million to £2 million. Given that it cost at least £1 million to save one Canova sculpture, £2 million was paltry. The fund saves great works of art for the nation. Once such great sculptures, pictures and manuscripts have been sold out of the country, they are never likely to come back.

For the past two years, I have made almost a habit of visiting the Hermitage in St. Petersburg. The Russian nation is bankrupt, but it has one of the greatest museums in the world. It has that great museum because Catherine the Great used the wealth of Russia to build up a hugely important collection. If we cannot spend a paltry amount, by comparison with our national spending, on saving great works of art for the nation, we will sell future generations short.

Mr. Gardiner: I agree about the importance of the Hermitage and I enjoy my visits there, too. Does the hon. Gentleman agree that there was something of an anachronism in what he said, given that Catherine the Great died long before a large part of its collection was painted?

Mr. Clifton-Brown: That simply is not true. She was responsible for building up a large part of the collection.

Mr. Richard Spring (West Suffolk): From the Walpole family.

Mr. Clifton-Brown: My hon. Friend is right. Unfortunately, many of the great works of art in the Hermitage came from this nation because the Labour Government's policy of introducing death duties caused them to disappear from this country. Unless ordinary people are prepared to go to the Hermitage, they no longer have the opportunity see them. That is a great pity. If the hon. Member for Brent, North (Mr. Gardiner) and the Government were to learn that lesson, those treasures would remain in this country so that future generations could see them.

After the Government came to office, they also cut grants to the British library. The library purchases manuscripts and maintains them so that academics and others can examine them in this country. As in so many aspects of Government policy, we have seen cuts and taxes by stealth that damage the arts in this country. Not only are the arts of philosophical importance, they are important for jobs, for our balance of trade and for many dependent, spin-off industries.

The whole world is changing fast because of the digital age—the commercial aspects of free-to-air televisions. We must take care to keep up to date with those matters, to ensure that our great artistic philosophy and culture remain at the forefront, as they have done for centuries. We must not let the Government break that down with their cuts and taxation by stealth.

1.16 pm

Mr. John Gunnell (Morley and Rothwell): I am fortunate to have experienced a painful event: as the leader of West Yorkshire council, I experienced being abolished. The loss of office and the loss of the work done by the council was a most painful experience. However, I can now look back on it as a positive one, because we were able to initiate and implement several arts initiatives, with the support of the relevant district councils and, often, the support of the Conservative opposition on West Yorkshire council. In a few cases, my right hon. Friend the Secretary of State has helped to stabilise those initiatives, sometimes adding to help given by previous Governments. In all cases, he has worked with the relevant local authorities.

The West Yorkshire Playhouse in Leeds is a shining light among theatres; throughout the 13 years following the abolition of the West Yorkshire council, the playhouse continued to receive support from the Department for Culture, Media and Sport and its predecessor Departments. My right hon. Friend realises that the playhouse fulfils all three of his aims: it is a centre of excellence; it does enormously good community work; and people have real access to the theatre, which is open at all times. It has achieved that under the direction of Jude Kelly, who has not only set an excellent standard of

theatrical production, but has created an atmosphere in which people from throughout the Leeds community can go to the theatre.

Groups often participate directly in the work of the theatre—for example, pensioners and members of ethnic minorities take part, and Jude Kelly makes use of their talents in developing the theatre. It has become a most important experience for those people. I believe that the playhouse will continue to receive Government support.

I must declare a non-remunerative interest, as I am a director of Opera North. I became a director before Opera North suffered a financial crisis in the 1980s, when the West Yorkshire council was abolished, and at a time when the council awarded extra funding to stabilise the company.

Opera North has benefited considerably from the Secretary of State's interest and the measures that he has taken. It now has three years certainty in its basic funding from the Arts Council. It is a great change for the board of the company to know that that money will be forthcoming for the following three years. Plans may be made much more constructively, further into the future. Opera North also regularly receives £1 million from local sources, in grants from Leeds city council and from the West Yorkshire grants fund. That, too, is very significant.

This year, the Secretary of State has put Opera North on the first rung of the ladder to obtaining lottery stabilisation funds. The Department is carrying out a strategic stocktake to check on the value-for-money possibilities that would result from stabilising the company using such funding. It has chosen to do so at a fortunate time: Opera North has just had a season in which, to economise, three productions—La Traviata, Katya Kabanova and Don Giovanni—were staged on one basic set. Each was well received by the public and the critics. I watched two of those productions. They were exceedingly good, and the relative lack of scenery was used to enhance the production. The box office for that period in the season came in at £95,000 above target—a very high level of support. It suggests that, in those productions, Opera North met the criteria that we used to call the three E's—the productions were efficient, effective and economic.

Supporters of Opera North are indirectly supporting the Opera North orchestra, which has a separate programme of concerts. Hon. Members have spoken about keeping northern orchestras alive. The Opera North orchestra has, in effect, replaced the Yorkshire Symphony orchestra, which died some years ago having failed to survive 18 years of Conservative Government.

The company is also involved in a good many community and educational projects. It takes opera to audiences that do not usually encounter it. One such group of audiences were people in the local prison, who certainly do not usually get to opera performances, but they became involved in working in opera in that prison. The company also performed in Sir Titus Salt's mill in Saltaire, where the local community was involved in a production. That enriched the experience of people who often would not have any parallel experience.

Opera North received help from the Conservatives in what has been called the "Mellor splurge". I am glad to say that it is now even more secure than it was then, because the Mellor splurge ended abruptly and was not continued by his Conservative successors, whereas now we have a programme that makes it plain that funding will continue. I hope that the Secretary of State can visit the opera to see what is being done and to check for himself the value for money of the company's functioning.

I shall briefly mention the Yorkshire mining museum in Wakefield. The museum faced a constant struggle to survive after the metropolitan council was abolished. The burden of maintaining it fell primarily on the local authority in Wakefield. Although it was willing, it found it difficult to provide the funds that were needed. However, in the 13 intervening years the museum was assisted by a member of the then Government; it would not have survived without the intervention of the former Member for Harwich, Iain Sproat, who took an active interest in its work. He understood that the museum's work was unique.

The museum, at last, thinks it will exist permanently. It has been recognised as the national coal mining museum for England and the Minister had the pleasure—I hope that it was a pleasure—of visiting the museum, where he made the relevant announcements. It is going from strength to strength now that it knows that it will be part of the landscape in West Yorkshire for very many years.

There is much that we still want to do at the museum. Ministers will not be surprised to know that they will continue to hear from us. Its director, Dr. Faull, has been active in making proposals that will make the museum more accessible to the public. Baroness Lockwood, as the chairman of trustees, also takes a positive view, as does my hon. Friend the Member for Wakefield (Mr. Hinchliffe). I, too, am a member of the board of trustees—another non-pecuniary interest that I perhaps should have declared earlier.

The final subject that I wish to mention is the royal armouries museum. When the museum came to Leeds, I was a member of Leeds city council and Leeds development corporation, both of which provided support. I know that Leeds city council gave £3 million, but I do not remember how much the development corporation contributed. Both organisations believed that Leeds would be a suitable out-of-London site for the museum.

There seems to be some concern in the Department that the move has not gone well. However, I believe that the royal armouries museum has made real achievements. It has been proved right to set up a base outside London where displays can be mounted. Using the space available for displays in Leeds has enabled the Tower of London to find space for additional exhibitions in London. They have increased its visitor revenue by about 25 per cent. Therefore, this is the first year that the historic royal palaces have cost the taxpayer nothing, which is important. That would not have happened without an outpost.

Secondly, despite the rather adverse publicity that I have seen, particularly in the *Evening Standard*, the Leeds building has been a considerable success. It was completed on time and within budget. It attracts many visitors, although it does not achieve the numbers that were first forecast. Visitor numbers are growing, and I believe that the museum will achieve the forecast. It is estimated that it now contributes £7.5 million to the local economy.

The museum's exhibitions are very good. It holds live exhibitions in which people joust and so on with considerable skill. The average visitor to the museum

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spends four hours there, which shows that there is something to attract visitors, or at least to keep them there once they have arrived. The museum is beginning to help to regenerate and improve the area in which it is situated. It was thought that that would happen.

The museum has attracted visitors despite the fact that the promised improved transport system to take people to its industrial, inner-city site has not been developed, so access is not easy for people without a car. The building has also become a superb venue for corporate entertainment and it is appreciated by the wider West Yorkshire community.

I urge the Department not to lose faith in that project. I gather that there have been suggestions that the museum may be situated in the wrong place and should be moved. However, it would be a colossal waste of money to move a museum that is functioning well in a building that is functioning well to another venue and to incur capital expenditure again. That would be nonsense.

The efforts to ensure that the royal armouries museum gets adequate support have been spearheaded by the new Member for the area, my hon. Friend the Member for Leeds, Central (Mr. Benn), supported by the other Leeds Members. My hon. Friend has recognised that the museum is a jewel in his constituency and he is definitely taking a responsible lead in the group of Leeds Members who all support it. That project, like others, will demonstrate clearly the priorities that we have set down. Our priorities are correct: we must have excellence in performance and access for an increasing number of people. I am glad to say that many people find that the projects that I have described enrich their lives, and clearly that is what is important.

1.34 pm

Ms Harriet Harman (Camberwell and Peckham): I am glad to have the opportunity to participate in this debate and to talk about arts and children, particularly in Southwark.

When we came into government, we said that we were concerned about divided Britain and social exclusion. I want to take the opportunity of today's debate to say that I believe that divided Britain is every bit as much about the arts, and access and opportunities in the arts, as about other matters, and social exclusion is about cultural deprivation and exclusion from arts, music, drama and dance, as well as lack of money.

The arts are at the heart of our agenda for change. I shall give the House an example. A few years ago, I attended the Southwark prom. It took place in Dulwich baths, and all the primary schools—state and private—gave a performance. The event provided a cameo of divided Britain. A little girl, who had taken part in a wonderful performance with her school, sat next to me. She was crying, so I tried to comfort her and I asked what was wrong. She said, "I never realised children could do that." She had seen the performances of the children from the private schools and had suddenly felt disappointed in her school and in what she had been able do. The private school children were playing instruments that children from the state schools had never seen. They had never seen a bassoon, let alone touched a cello. The occasion was both eye-opening and shocking. The work of my right hon. Friend the Secretary of State is beginning to create enormous change, and I want to tell the House about some of the progress that has been made.

The Government have established a national child care strategy, which enables after-school clubs to be set up in all neighbourhoods. That was one of our manifesto pledges. Early-years and child care development partnerships have been set up in all areas. I am glad to say that I am chair of the partnership in Southwark. The partnerships establish after-school clubs so that, at the end of the school day, at 3.30 pm, children do not wander on to the streets and risk having traffic accidents, getting into trouble with the police, or becoming bored and annoying their elderly neighbours. Instead, they can be in an after-school club, which runs from 3.30 pm until about 6 pm, when parents pick them up. Those parents are often enabled to work by the clubs and thus to bring more money into the household.

After-school clubs provide a great opportunity for offering children access to the arts, including music, dance and drama, as well as sport. Those clubs do not suffer from the pressures of the curriculum to which my hon. Friend the Member for Brent, North (Mr. Gardiner) referred. I am glad that the Government are driving towards an objective that means that children in Southwark leave school with formal qualifications that are as good as those of children anywhere else. I do not detract from the focus on the basics: the literacy hour and the numeracy hour are essential. There is no need for competition between the basics and art, music and drama. We can do all those as after-school activities as well as through extra activities in school.

The Southwark partnership has got together with all the local arts organisations and told them, "We've got these kids from 3.30 till 6 o'clock. You are a local community arts organisations—or the English national orchestra or Covent Garden. How can we get together with the wealth of talent—for example, instrumentalists and others in the music industry—in the borough to make sure that the new infrastructure of after-school clubs and holiday clubs gives children the opportunity to do music, art and drama?" When the partnership works well, it makes a huge difference.

Some children suddenly find that they have great musical talent. They cannot discover that talent if they have no access to the teaching of an instrument. Children who are not very good at formal school work—maths, reading and writing—may shine in dance and are thus able to feel proud of themselves and confident in their peer group and among their friends. As the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) said, it is also an intellectually demanding activity. As well as reaching children who might otherwise not do so well in school and enabling them to discover their creative talent, the arts can stimulate their intellect. It is very important that we use the time during which children are in the after-school clubs not only to take care of them while their parents—mostly their mothers—are working and to protect them from road accidents, getting into trouble with the police and winding up elderly neighbours, but to make sure that they have quality of experience and opportunity.

We are making huge strides on that in Southwark. There is a great air of excitement and enthusiasm as the partnerships that are working locally are coming together to deliver change. We put in a successful bid to the school

standards fund for music and we now have a Saturday music centre in St. Thomas the Apostle's school. It has been going for a couple of weeks and children are getting free instrumental lessons—and the chance to take the instrument home—in recorder, violin, cello, saxophone, clarinet and percussion. They all do ensemble playing, they all do choir and they all do musicianship. They are all beginners. At the moment, we have 80 children there, having just started the scheme. There were more than 200 applications for the first 80 places and we are going to expand it up to 250.

We are also using instruments that have been locked unused in cupboards in primary schools. We are using the funds to repair those instruments and to bring in teachers so that children can be taught on those instruments. In schools that have good teachers, but no instruments, we are using those funds to buy in the instruments. We have a range of activity where previously there was nothing. We did not even have a schools music service. Whether children had access to instruments or to any music or dance activity depended on whether they had a go-getting head who was determined to do it against the odds and with very little help from outside.

We are also using the new opportunities fund learning fund to increase opportunities for music, arts and drama for primary school children. Earlier this week, I went to Alfred Salter school in Bermondsey, wearing my hat as Southwark's early-years development partnership chair. I discovered that they have successfully applied for a programme for an after-school club in the school. I am talking about not the Saturday centre, but an after-school club in the primary school. For the first year they are going to build up the music. Then they are going to keep the music going and in the second year they are going to add dance. They are going to keep it all going and build it up so that all the children round the school have opportunities that they did not have before.

People said that we could not do all that because it was too expensive and there were no instruments, but many of us remembered that there are cupboards in primary schools with instruments in them that were not being used, because there was no focus led by the Government to ensure that they could be used and children had access to them. My early-years development partnership did a survey of the primary schools in Southwark to ask whether they had any instruments not in use. We discovered that, locked up in the cupboards not being used were 68 recorders, 26 guitars, 26 clarinets, eight flutes, nine French horns, four tubas, 15 trombones, 20 trumpets, 16 cellos and 93 violins.

We had a meeting to discuss taking forward music, arts and drama for children in Southwark in after-school clubs and school holiday clubs. One person called out in the middle of the meeting, "That's more instruments than they have in the London Philharmonic." They were all locked in cupboards in Southwark. Thanks to the leadership from the Government and the enabling funds that they have been inviting local community organisations, local schools and local boroughs to bid for, we are unlocking the cupboards and using those instruments, which should always have been in the children's hands. A generation of children passed through primary school without having the opportunity to use musical instruments, but that is now beginning to change.

We are gaining greater access to working partnerships with the great opera houses and ballet companies. Peckham, my constituency, in the London borough of Southwark, is right in the shadow of the huge, important national centres to which my hon. Friends have referred: English National Opera, the Covent Garden opera house, great orchestras and innovative ballet companies. In the past, members of those institutions have wanted to become involved with the community. They have perhaps attended a single workshop, twirled around before astonished children and then disappeared. But unless children are given an opportunity to be inspired by what they see and then to emulate it, their feeling that there is a world out there to which they have no access and of which they can never be part will only be reinforced.

We now have many more opportunities to build an enabling partnership between great institutions and children in Southwark, which is just across the river from so many of those institutions. People come from all over the country to Camberwell school of art in my constituency, yet that great institution has virtually no involvement with the children who live in the borough in which it is situated.

It has been interesting to watch the partnerships develop. Anne Longfield, director of Kids Club Network, the national organisation for after-school clubs, is also a parent living in Southwark, and is involved in our early-years development partnership. She went to the annual general meeting of the Southwark arts forum, to discuss with all the community arts organisations the possibility of making some arts activities involving children eligible for child care tax credit. One option was to change the hours from, say, 4.30 to 6.30 pm, to 3.30 to 5.30 pm.

There has been a good deal of interaction between young people's and child care organisations and organisations representing, for instance, music and drama. The Southwark arts forum is now a member of our early-years development partnership. We want the national child care strategy not only to keep children safe, but to ensure that they enjoy a quality experience, and such an experience will be provided by access to all the opportunities to which I have referred. That is why such access features strongly on the agendas of both the Department for Culture, Media and Sport and the Department for Education and Employment.

This is an exciting time: partnerships are being established. Jan Hinde, from Yorkshire Youth and Music, who had been running a very good series of after-school and holiday activities, came to one of our partnership meetings in Southwark to tell us about what she was doing, and to hear what we were doing. There is a real buzz nowadays: we are networking, and also creating new partnerships.

It would be helpful if, as well as continuing their current activities, the Government involved themselves even more actively. I should like to see a programme in after-school clubs involving music, drama, dance and other arts, organised jointly by Ministers from the Department for Culture, Media and Sport and the Department for Education and Employment. I should like that departmental partnership to engage in regional conferences throughout the country, bringing together child care and arts people and asking them what they are

[Ms Harriet Harman]

doing in order to spread good practice. If it transpired that they were doing nothing, they could be told what others were doing, and could benefit from that.

There should be consultation, so that we find the best way of creating programmes, and all areas should have a local arts strategy. One does not need a huge bureaucracy or a department to devise a strategy, which could be developed in partnership with other organisations.

The arts are a very important weapon in combating social exclusion and deprivation, extending equality, and ending the divisions that have marred the United Kingdom for so long. The Government have already made huge strides on the issue, completely changing the atmosphere, and making opportunities available.

In my borough of Southwark, we are opening up the cupboards, repairing instruments, and putting those instruments in the hands of children—who, perhaps, one day will be the Nigel Kennedys of Camberwell and the Darcy Bussells of Bermondsey. It is a great step forward.

1.51 pm

Mr. Richard Spring (West Suffolk): In a speech on the arts to the Royal Society of Arts, the current Arts Council chairman said:

"Even those who love and share the arts can, at times, compartmentalise them . . . they can regard them as a kind of bolt-on extra to reality. The truth is the arts are the real world, in exactly the same way as commerce and the City are parts of the real world."

I believe that the chairman was entirely correct. Long after the voices that we have heard today in the Chamber fall silent and the speeches are forgotten, the work of artists such as David Hockney, Lucian Freud and Damien Hirst will be associated with the times that we live in. Memorable theatrical and cinema performances endure in people's memories, and works of art are lovingly passed down to succeeding generations.

This has been a good debate, with some notable speeches, most especially by my hon. Friend the Member for East Surrey (Mr. Ainsworth), who has already apologised for his absence at the end of the debate.

We have heard interesting speeches by the hon. Member for Amber Valley (Judy Mallaber), who talked about her own local authority's arts strategy; and by the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), who spoke about stresses in arts organisations and the decline in Government support to the arts as a percentage of gross domestic product, and made various other pertinent observations.

The hon. Member for Putney (Mr. Colman) talked about the good community arts programmes and lively activities in Wandsworth and Putney. He also rightly spoke about London's importance as a national and international centre.

My hon. Friend the Member for Poole (Mr. Syms) spoke about the economic importance of the arts for employment and the economy generally. He also talked about disappointment that certain projects—such as those in Bristol and at the South Bank centre—have not proceeded, and the effect on arts funding of the Government's raid on the lottery.

The hon. Member for Brent, North (Mr. Gardiner) was right to talk about the currently unparalleled levels of leisure spending in the United Kingdom. In view of such spending, it is disappointing that the arts still affect a relatively small number of people in the United Kingdom. He also shared with us his knowledge of and interest in orchestras and his love of music. Many who work in local government will share his views on local government statutory responsibilities.

In his characteristically robust style, my hon. Friend the Member for Cotswold (Mr. Clifton–Brown) challenged the Government's general philosophy on the arts and their attack on the arm's-length principle. He also talked about the arts in places such as Norwich; warned of the dangers for London's art market of the pan-European value added tax rate; and expressed concerns about droit de suite.

The hon. Member for Morley and Rothwell (Mr. Gunnell) drew on his considerable experience of West Yorkshire and of Opera North, and described the difficulties of the royal Armouries museum, in Leeds, which I have visited.

The right hon. Member for Camberwell and Peckham (Ms Harman) spoke passionately about the importance of children's participation in the arts. I agree with her on that. She spoke particularly with reference to Southwark.

There has been much mention of the creative genius of the British people, and that creativity is certainly flourishing. In recent years, many American performers, including Richard Dreyfuss, John Malkovich, Nicole Kidman and Dustin Hoffman have appeared in London theatres. There is nothing comparable to our theatrical tradition anywhere in the world.

In the past 20 years, there has been a great flowering of artistic activity outside London. Even quite small towns have flourishing music or arts festivals and competitions and lottery money has been used to reinvigorate and restore theatres, museums and galleries. I recently visited the Tate gallery in St Ives, which has had an enormous impact on the town, attracting visitors and a new generation of artists. Similarly, the Tate gallery on Bankside is an exciting project, as is the new Royal Opera House. There is much to be pleased about, but there are concerns about the way in which the Government have set about supporting the arts.

Before the general election, no group in the country did not have high expectations encouraged and fanned by Labour politicians and nowhere more so than in the arts. There was to be a new artistic Jerusalem to go with the new Labour victory. Gradually, of course, the disappointment set in, followed by disillusion. It is hardly surprising.

My hon. Friend the Member for East Surrey spoke about the fiddled figures of the Secretary of State, and the increases unscrupulously double and treble counted. In reality, increases in grant in aid, however small, have been more than offset by the Secretary of State's raid on lottery funds and the financial problems of local authorities. On Wednesday I was in York and last week I was in Bristol—everywhere there is anxiety about how museums, galleries and leisure facilities are to be financed. Whether they are museum curators, librarians or local authority officers, the message is the same everywhere and it is one of real and deepening anxiety.

Before the election the Labour party produced a policy document entitled, "Create the Future—A strategy for cultural policy, arts and the creative economy". It says on the cover, "Do not remove from the Library". Having read it from cover to cover, I think that there is very little risk that many would be motivated to do so.

Let us examine some of the pledges that Labour made before the general election, that, in part, have caused much of the present disappointment in the arts community. Under the heading, "Access—building and nurturing new audiences" the document states:

"The Government arts collection will be made more easily available to museums and galleries throughout Britain."

Has that happened? It promises:

"Buildings in the public estate will become more accessible for the public."

Labour also promised to pilot open theatre nights. That was a pretty exciting idea. Apparently, on Monday nights theatre tickets would be available at reduced prices throughout the country. It was yet another promise. I have had all the promises examined by the Library, which has confirmed that nothing along the lines of those pledges has actually happened in practice.

Under the heading, "Widening opportunities for children and young people", the document states:

"We will expect an annual arts statement to be produced by schools, showing what each school offers its pupils."

That most certainly has not happened. It also states:

"Career paths for each art form will be improved",

and

"An 'Arts Card' for young people to widen their access to the arts will be set up."

It is all here; there are many pages of promises, but very little has been done.

In respect of broadcasting and film, the document states:

"A new 'Ofcom' will be established to regulate the television and communications infrastructure."

That suggestion was explicitly rejected by the Department of Trade and Industry. So much for Labour's promises, but the one that I found most staggering was under the heading "The Cultural Industries". Apparently we were going to have nothing less than

"A strategic approach to procurement which will yield considerable benefits."

Of course nothing of the kind has happened. The hyping up of expectations ahead of the general election is written down here, but manifestly has not been undertaken in practice. After the election—and on an unprecedented scale—we got scores of working parties, consultation groups and reviews set in place by the Secretary of State, presumably to show some sort of dynamic activity. Well, where is the beef?

As part of the process, a book was produced by the Secretary of State called "Creative Britain"—price £7.99, from Faber and Faber. We were all excited about this book, as the Secretary of State said that it would be the first time for a long time that a Cabinet Minister in situ had written or put together such a book. I would not wish to embarrass the Secretary of State—particularly as he is not here—by reading some of the reviews of the book. However, George Walden—in a review called "Babbling for Britain"—referred to some of the sheer banalities in the book. For example:

"The cultural process can cross continents too . . . Culture can embrace a broad sweep of fine and high-quality activities, of all kinds".

And so it went on.

Regrettably, only 2,429 copies of the book were sold, and it is difficult to find copies now. They cannot be found through Amazon.com, but Hatchards still has two copies available if anyone wishes to purchase them.

There was a background of hope and expectation and the belief in a new artistic Jerusalem under the Government, but there is now disillusion, following the numerically challenged figures on support for the arts, the producing of the Secretary of State's book and the branding of the national lottery as the people's lottery. Poor old Covent Garden was described as the people's opera and, excruciatingly, the library service was called the people's network.

During debates prior to the creation of the new opportunities fund, we warned the Government of the possibility of lottery fatigue, which is now happening. Some £3.5 billion has been raided from the lottery—to use the Secretary of State's own words—and that money will have been lost to the original good causes. If lottery ticket sales continue to decline, this will continue to have a severe effect on the funding of the arts. I am sure that those involved in the lottery will have told Ministers about that.

The Secretary of State has doubled the number of his Ministers in the House of Commons, and the number of special advisers in his Department. He has double and treble-accounted his spending pledges for his Department. He has doubled the number of press releases. It all gives new meaning to his most repeated and banal expression—the many, not the few.

The Secretary of State genuinely enjoys the arts and has a deep understanding of this area. However, up and down the country, there is disappointment, disillusion, frustration and dismay. In Cabinet, he has failed to fight his corner. As a result, spending in many areas of the arts is under unprecedented threat.

I wish to refer to an issue that the Minister for the Arts and I have corresponded on. I know that he shares my view that, where possible, owners of houses are the best guardians of their properties. The domestic architectural heritage of this country—which often has links that go back many generations—can be most attractive to visitors, whether domestic or foreign, and boosts the local economy.

The Minister will know of the detailed discussions involving representatives of the Historic Houses Association, the Treasury and the Inland Revenue. He knows that changes in the Finance Act 1998 have caused considerable disquiet to beneficiaries of the conditional exemption arrangements. No one will deny that some individuals have made access difficult, but many feel that a sledgehammer is being taken to crack a nut. In addition, the unilateral change of contract is leading to a possible serious legal challenge. Widening the ambit for public access and increasing the standard for exemptions create a risk of important chattels coming on to the market, and there is very little cash to acquire them.

[Mr. Richard Spring]

I genuinely hope that the matter can be resolved but if the changes mean that heritage chattels come on the market in any quantity, the Department will come under scrutiny and criticism. I ask the Minister to monitor the situation carefully at what is a crucial stage in the discussions.

On 9 November, the Chancellor at least recognised the funding problem and made several concessions in respect of charitable giving, but the abolition of advance corporation tax recovery will cost charities £500 million a year: far more than the value of the concessions. We need a simpler, clearer mode of giving. I hope that the Secretary of State will continue to press the Chancellor to make further concessions to get more money to the areas that have been affected by his raid on the lottery.

In July 1998, the Government announced a new policy of free entry to museums. Its aim was

"to introduce free access to children from next year, for pensioners the following year and universal free entry in 2001."

There are considerable problems with that, especially involving VAT. In the eyes of many of those who run our major national museums, there is something of an impasse. It is very difficult, with the three-year funding window, to formulate an appropriate long strategy for museums. It is a source of genuine concern that the pledge has not been fulfilled.

Several challenge funds have been set up, but they simply do not enable museums and galleries to plan for the long term. There is a widespread view that there is a lack of co-ordination with the Department of the Environment, Transport and the Regions on regional museums—that is, the majority of museums in this country.

In the Government's two and a half years in office the high hopes and expectations have been dashed. It is like the emperor's new clothes. People throughout the country who love and cherish the arts know that changes in the national lottery and the immense pressure on local authority spending mean that the additional sums that the Secretary of State has secured for his departmental budget add up to less than the amount that has been removed from the arts.

Despite all the hype and boasting, there has not in practice been an increase—quite the reverse. Immense reserves of good will have been squandered, money has left the arts and the Secretary of State has signally failed to defend his patch in Cabinet. We, by contrast, with the unstinting help of so many, have been trying to put fresh thinking into how the arts can flourish in the new millennium. As each day passes, the desire for that fresh thinking is growing as the reputation of the Government and of the Secretary of State in particular continues to fall.

2.9 pm

The Minister for the Arts (Mr. Alan Howarth): This has been a worthwhile debate. It enabled my right hon. Friend the Secretary of State, in a magisterial speech, to tell the House how our pledges and commitments, made both in opposition and in government, are systematically being fulfilled.

I do not like to criticise the hon. Member for East Surrey (Mr. Ainsworth) in his absence, but I was disappointed that he chose to be so personally abusive in his attacks. His speech seemed to have been dictated by Conservative central office propagandists and—how shall I put it?—lacked decorum.

The hon. Member for West Suffolk (Mr. Spring) never lacks decorum. He is altogether more fastidious. The difficulty is that he is against the people's opera: he appears to have some core reservation about what is going on at the Royal Opera house. He is also against the people's library network. I put it to him that we have said goodbye to the age in which a gilded elite was bankrolled by the taxpayer in its enjoyment of expensive cultural pleasures that were denied to those who paid for them through their taxes and the lottery. I am unashamedly committed to making culture accessible to the many, not the few, and I am surprised that the hon. Gentleman is so politically imprudent as to think it appropriate to pour cold water on that sort of ethic. The hon. Gentleman was also a little waspish about my right hon. Friend the Secretary of State, but that did not really matter because the hon. Gentleman's performance was deeply unconvincing.

By contrast, the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) gave an entirely admirable speech. He was generous, thoughtful and challenging. No one who knows him could subscribe to the view that he is a killjoy. He said that he had to leave the debate early to attend an engagement in Sunderland, but was too modest to explain that he was going there for two purposes: first, to give a lecture on education; and, secondly, to attend a performance by Scottish Opera of "A Friend of the People", for which the right hon. Gentleman himself wrote the libretto. He is seriously committed to improving the cultural life of this country. There was a dearth of Opposition speakers, but we are grateful to the hon. Members for Poole (Mr. Syms) and for Cotswold (Mr. Clifton-Brown) for chipping in.

I respect and admire the contributions made by my hon. Friends, including my hon. Friends the Members for Putney (Mr. Colman), for Brent, North (Mr. Gardiner) and for Morley and Rothwell (Mr. Gunnell). Their speeches contained litanies of declarations of interest and illustrated the range and depth of knowledge of the arts that is available on the Government Benches.

Being the Minister for the Arts is a tough job. It has been my duty to attend 295 cultural events in the 16 months since my appointment, and it is my pleasure to continue to do so. I have learned a great deal, not least to be immensely proud of the condition of the arts in this country. I do not for a moment suggest that the Government can take the credit for the flourishing arts in Britain, because that phenomenon has profound causes.

It is strange to hear old-fashioned lucubrations such as that offered by the hon. Member for East Surrey, who thought it opportune to refer to the shadow Arts Council. Sir Peter Hall has been making the same speech for 25 years: it is the longest running cultural phenomenon in London, apart, perhaps, from "The Mousetrap". He has become part of our heritage, as tourists come to hear him make his speech denouncing the Government of the day for the inadequacy of their support for the arts. He is like a performing bear, who performs rather clumsily and embarrassingly. He, like Opposition Front Benchers, is unaware of the extent of the improvement in the condition of the arts in this country.

That the arts flourish to such an extent is remarkable, considering the dismal story of funding for many years before the Labour Government entered office and the state to which our education system had been reduced. As my hon. Friends said, our Government had to mount an emergency operation to rescue music in schools. The determined action taken by my right hon. Friends the Secretaries of State for Education and Employment and for Culture, Media and Sport has already started to make an enormous difference by greatly increasing the money available to local education authorities through the standards fund and the operation of the National Foundation for Youth Music.

My right hon. Friend the Member for Camberwell and Peckham (Ms Harman), in a most valuable contribution to the debate, opened our eyes to the exciting possibilities for education in music and the range of arts and crafts that funding from the new opportunities fund has created for after-school clubs. When Opposition Members go on about a raid on the lottery, they seem to suppose that lottery money, over and above the money that the Arts Council has to distribute, is not available for the arts. It palpably is, as my right hon. Friend explained vividly and unanswerably.

My hon. Friend the Member for Putney was kind enough to refer to our programme—developed jointly between my Department and the Department for Education and Employment—to create bursaries for students of arts and drama. It is good news that my right hon. Friend the Secretary of State for Education and Employment has this week been able to triple the amount of money in the hardship fund for students of dance and drama who attend further education institutions.

While on the subject of education, I wish to emphasise the great importance we attach to the issues raised in the report of Professor Ken Robinson's group. The importance of those issues cannot be overstated and we are reflecting deeply on how the Government might most appropriately respond. We have already asked the Qualifications and Curriculum Authority to address afresh the issue of how we can ensure that education for creativity flourishes in our schools.

This Government take support for the arts as a central and welcome part of their responsibility. We support the arts with money and through our policy, which goes far beyond the simple provision of money. It has been the melancholy experience of successive Ministers for the Arts over the years to go to the Treasury to secure more—sadly sometimes less—money for the arts and, whatever the outcome of their mission to Great George street, to be assailed for not securing enough.

Of course, the needs of the arts are almost infinite and the appetite of the arts is certainly insatiable. However, I am proud that my right hon. Friend the Secretary of State for Culture, Media and Sport, supported by my right hon. Friend the Chancellor of the Exchequer and—most importantly—my right hon. Friend the Prime Minister, has made a commitment to an enhanced level of funding for the arts so that we are seeing in real terms, contrary to the allegations made by Opposition Front Benchers in this debate, a higher level of grant in aid than ever seen before. It is higher even than in the golden age of Jennie Lee.

The contention advanced by some hon. Members today, including the right hon. Member for Caithness, Sutherland and Easter Ross, that arts funding has fallen as a percentage of gross domestic product requires closer scrutiny by those who did so. This year there has been a 16 per cent. increase in grant in aid for the Arts Council, with commitments to a 4.6 per cent. increase next year and a 6.5 per cent. increase in the following year, so my right hon. Friend the Chancellor must be being even more spectacularly successful in his conduct of the economy than even I had supposed. Right hon. and hon. Members should reconsider their figures.

Mr. Spring *rose—*

Mr. Howarth: I am sorry that I cannot give way, but I have so little time.

Several contributors to the debate, including my hon. Friend the Member for Brent, North made the point that local authorities need to commit themselves to funding support for culture. Of course, some do so magnificently already, such as Birmingham, Gateshead, Bolton and Huddersfield. I ask my hon. Friends who made that point to consider whether, if there were to be a standard spending assessment for culture, there might be a risk that those local authorities which are good in that area would come under heavy pressure to spend down to SSA. We need to be careful for that reason, and I know that the Local Government Association has reservations about that remedy.

My hon. Friend the Member for Brent, North also asked that a statutory obligation be placed on local authorities to support the arts. I am tremendously tempted by that suggestion, but I put it to my hon. Friend that local authorities have been under a statutory obligation to support their libraries since 1964. That has not meant that life for our libraries has been without difficulties. My hon. Friend's suggestion would not be a solution, but I see its attraction.

We seek to achieve a coherence in the use of funding. That funding may be derived from grant in aid or be provided by our partners in local government. It may come from the lottery—and my right hon. Friend the Secretary of State's reforms of the lottery have very far-reaching beneficial significance for the arts. It may also derive from European sources, or come from the box office or from private donors. Finally, as the hon. Member for West Suffolk mentioned, funding may come from charitable tax reliefs.

The challenge for policy makers—at national, regional and local levels—is to achieve a confluence between those flows of funding such that we achieve the best value for money and open up the possibilities that we all want to be realised. That is a difficult challenge, but the funding agreements that we are putting in place and the progress towards regional and now local authority cultural strategies mean that we have an instrument that will give us a much better chance of success.

I said that the Government's policy was not simply about securing as much money as possible. Although more money is always useful, we have a responsibility for the stewardship of publicly provided resources. I make no apology for the fact that we have set up Quest, which,

[Mr. Howarth]

although it reports to my right hon. Friend the Secretary of State, is independent of the Department. That agency will be available to assist publicly funded organisations to ensure that quality, efficiency and standards are as high as they ought to be.

I do not apologise either about the funding agreements that we have put in place. The hon. Member for East Surrey was very patronising about the Arts Council and suggested that it had degenerated to the point that it was now no more than an agent of Government. Mr. Gerry Robinson may have views on that, but I do not accept that the Arts Council is so passive or pusillanimous—far from it.

The Arts Council is the Government's partner. With it, we negotiate funding agreements that provide a framework that is agreed and not imposed. The specific decisions on the uses of the funding that the Government provide on behalf of the taxpayer and of the lottery player are determined by the bodies that receive the funding.

A modernised version of the arm's-length principle is alive and well and, unlike the right hon. Member for Caithness, Sutherland and Easter Ross, I am a strong believer in its virtue. Although it might be tempting for me, as Minister for the Arts, to have the power to decide what productions, exhibitions or concerts should receive funding, that would not be a good idea. I would also be a little nervous if, in any future incarnation, the hon. Member for West Suffolk were to exercise that power. The Government believe in the arm's-length principle, and we have refreshed and modernised it.

I am grateful to those hon. Members who have commented on the quadruple commitment in the Government's policy to supporting excellence, access, the role of education in relation to the arts and the arts' contribution to the flourishing of the creative economy. I emphasise that we support excellence not only in traditional high art, but in all those forms of cultural expression that many people particularly cherish.

We have also forged a new relationship between the Crafts Council and the Arts Council. That has allowed more money to be available for the crafts, but it has also permitted them to take their place in the policy development of the Arts Council. It will therefore prove very positive for the crafts in this country. That the lottery is providing money for brass bands, on a scale which I hope will be enhanced, is important.

My hon. Friend the Member for Amber Valley (Judy Mallaber) talked of a brass band event that she had attended in her constituency. Brass bands are among the proudest cultural expressions of community in this country. One of my great privileges as Minister for the Arts was to attend the recent national finals of the brass band championship at the Albert hall and to present the prizes. It was an exciting and magnificent occasion.

Let me echo the comments of a number of contributors to the debate that the basis for our policy on the arts must be that we value the arts and their contribution to the enrichment of human life. We value the arts for art's sake and for people's sake. That is why we support excellence; that is our primary value.

There is no tension between excellence and access, because this excellence should be made increasingly accessible to all. Time does not permit me to give in any detail some wonderful examples of ways in which the arts can inspire people who have not characteristically or traditionally participated in the arts, certainly not the publicly funded arts. Start, for example, is a scheme that is part of the directorate of psychiatry in the Central Manchester health care trust. It is a network of arts studios developed specifically for adults recovering from mental illness, with a team of practising artists specialising in photography, textiles, pottery, mosaics, stained glass, painting and drawing. The work that they produce is increasingly recognised and desired. It is a marvellous example of how access to artistic experience enables more people to lead a richer and better life.

Mr. Spring: Will the hon. Gentleman give way?

Mr. Howarth: No.

Mr. Spring: Will he answer my question?

Mr. Howarth: I will in a moment—first, I want to speak about the school at Dog Kennel hill in Southwark. I am not sure whether it is in the constituency of my right hon. Friend the Member for Camberwell and Peckham.

Ms Harman: It is on the edge.

Mr. Howarth: Some 30 per cent. of children in that school come from homes in which English is the second language, more than half are eligible for free school meals and a quarter have special educational needs. But Ofsted inspectors have found that, by placing art, drama and music at the core of the school's agenda, the head teacher has succeeded in creating a school ethos that promotes confidence, moral development, enthusiastic involvement and pride. There is much more that I would have loved to have the opportunity to say, because the experience in that school exemplifies beautifully the interplay between the arts and education.

The hon. Member for West Suffolk asked about conditional exemption. The principle is not negotiable. We believe it to be absolutely right that where there are valuable tax concessions, such as capital gains or inheritance tax, the public must have a right of access to those items which have been conditionally exempted. I do not think that there is any dispute between us on that.

We are, of course, more than willing to negotiate about the practice to ensure that the manner in which the policy is implemented is civilised, courteous, practical and realistic. I understand the apprehensions that have been expressed about security; I understand the apprehensions of elderly people, perhaps a little fragile, who may be worried about the intrusion of strangers into their home. We wish to find the most constructive way of implementing this policy, and we will monitor whatever that happens to be.

The health of our culture and its prospects are central to our national life, the quality of life for our society and citizens, our economy and our social cohesion. We need a policy that is sensibly integrated and coherent locally, nationally and internationally. The Government are fully committed to playing their part.

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

PROCEDURE COMMITTEE

Ordered,

That Mr. Robert Syms be discharged from the Procedure Committee and Mr. Eric Forth be added to the Committee.—*[Mr. McNulty.]*

Maldon Port

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McNulty.]*

2.30 pm

Mr. John Whittingdale (Maldon and East Chelmsford): This may well be the last Adjournment debate on a Friday in this millennium. It therefore gives me particular pleasure to raise a matter of considerable importance to my constituents in Maldon. I do not know whether the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Sunderland, South (Mr. Mullin) has ever been to Maldon, but I recall that he is a close friend of the right hon. Member for Chesterfield (Mr. Benn) who lives in the district. He may well have heard about the town from his right hon. Friend, but I should be happy to show him around.

Maldon is one of the two oldest towns in Essex. It was originally a Roman settlement, later taken over by the Saxons. Students of English literature will know it from the epic poem written about the battle of Maldon just over 1,000 years ago. The poem records an occasion on which a raiding party of Danes sailed up the Blackwater to be met by an English force led by Brythnoth, earldorman of Essex. In the ensuing battle, Brythnoth was killed and the English were defeated, but the Danes sustained such heavy losses that they had no choice but to retreat.

In describing Maldon, the town's official guide says:

"The town of Maldon, set on its hill, surveying the whole of the District, was traditionally a thriving port with waterways the 'motorways' of their day. The Blackwater and Crouch were navigated by sailing barges whereas the Chelmer, when adapted as a canal, was used for horse-drawn barges. Many of the most strikingly beautiful sailing barges remain today and can be seen working to and from the Hythe quay although their 'payloads' nowadays are tourists and educational groups."

The port is now seldom used for commercial traffic, except by Greens flour mills, which imports grain. However, Hythe quay is a major attraction for visitors who come to see the magnificent Thames barges which are for many the abiding image of Maldon. Several small businesses still depend on the estuary for their livelihood.

The reason for my brief commercial is that I wish to explain why the port is still at the very heart of the town and why its loss would be a major disaster. Maldon is also famous for its mud—each year, the Maldon mud race attracts many visitors. In recent years, however, the volume of mud has steadily increased. The port is slowly silting up. Various factors are probably responsible for that, including rising sea levels and climate change. But the water that once poured over Beeleigh weir into the estuary has been reduced to a trickle so that the flushing of the estuary no longer occurs. That has happened because huge amounts of water are being abstracted from the river by Essex and Suffolk Water to serve the local population.

In 1968, a detailed survey of the river was carried out by Sir Alexander Gibb and Partners. The then water company extracted about 20 per cent. of the natural flow, and the survey concluded that that had a major influence on the estuary's siltation. In summer, the proportion abstracted is now effectively 100 per cent., with only occasional storm flows discharging over the weir.

The original licence granted to the company for extraction took no account of the siltation effect as the proportion then permitted was thought not to cause

[Mr. John Whittingdale]

difficulties. Increases in the amount abstracted which have occurred since then have required only amendments to the original licence, so that the problem has never been properly addressed. I do not suggest that Essex and Suffolk Water should not be allowed to abstract from the river. Nor do I suggest that they should not be permitted to take still more. I fully recognise that need exists. Essex is the driest county in England. During the past 50 years, its population has doubled, as has the water consumption of each individual. Already, Essex and Suffolk Water is planning to supply another 60,000 houses by 2015. If the Crow report's recommendations were to be accepted, Essex would be required to take another 178,000 houses. The Minister knows that I and my fellow Essex Members fiercely oppose those recommendations, and I know that this is a matter of concern to you, Mr. Deputy Speaker.

This is not the occasion for a detailed debate about future housing provision in Essex. Suffice it to say that just one of our many objections is that almost no thought appears to have been given to how to meet the huge increase in demand for water that will result if the proposals go ahead. Undoubtedly, we will need to find more water resources to meet demand.

More than 50 per cent. of Essex's water comes from outside the county, much of it from the Ely Ouse transfer scheme, which may not continue for much longer. Essex and Suffolk Water intends to increase its reservoir capacity and has a good record in reducing leakage, encouraging water conservation and promoting the take-up of water meters. However, I accept that it still has a problem in that it faces at least a temporary shortfall in available supply.

To close the gap between potential demand and supply, the company has proposed a scheme for recycling the treated effluent that is currently discharged into the Blackwater. Instead of being lost to the sea, the waste water will receive further treatment at Langford and then be introduced into the River Chelmer at Rushes lock. I am assured that, at that stage, the quality of the water will already be higher than that of the water in the river. It is for that reason that the water company needs to apply for a discharge licence. However, the intention is to have the water remain in the river for only a short time to take advantage of the natural purification process. The company then proposes to abstract a similar amount of water further down that will undergo more treatment at Hanningfield or Langford before going back into the drinking water supply.

To support its proposal, Essex and Suffolk Water commissioned a report from HR Wallingford. In its summary, it states:

"With the proposed reduction of 30 million litres a day of wastewater into the river the proportion of the time when the natural flows would be insufficient to erode the slack water deposits would be increased. In Maldon the increase would be from just under 10 per cent. of the time to just over 40 per cent . . . In the long term, periods of high flows will be sufficient to re-erode accumulated deposits in the low water channel, and depths will be maintained to the same levels as now. However, in the shorter term there may be greater losses in depth in the channel than presently occur."

In fact, my constituents believe that the position will be worse than that. First, Essex and Suffolk Water now wishes to abstract not 30 million litres but 40 million litres a day. Secondly, the storm water flows over the weir are becoming increasingly rare as a result of climate change.

The HR Wallingford report at least acknowledges that the proposal would increase siltation in the estuary. However, late in the day, Essex and Suffolk Water produced a new report that it had commissioned from Professor Pethick, the chair of coastal science at the university of Newcastle. He concludes that the siltation that is taking place is not caused by abstraction at all and adds that the proposal to increase the amount of water taken from the river could lead to less siltation. I understand that he is also the consultant to the Environment Agency on such matters. I am slightly surprised that he can serve two masters.

Professor Pethick's conclusions are strongly disputed not only by my constituents but by Professor Patrick Holmes of the department of civil and environmental engineering at Imperial college, London. I will not go into his analysis, which is based on calculation of the shear stress imposed on sediment by water flowing over it, but he points out that Professor Pethick's conclusion that the general accretion in the region is a result of sea level rise seems to be at odds with the statement on page 3 of his report, which states:

"these accretion rates are an order of magnitude higher than those predicted as a response to sea level rise."

Professor Holmes concludes:

"the percentage of time for which deposits will not be re-eroded at Maldon will increase by a factor of four under the condition proposed.

Further consideration indicates that this is likely to be an under-estimate, based on expected consolidation of the deposits in periods of very low or zero freshwater flows."

In order that Essex and Suffolk Water's proposal can go ahead, the company needs licences from the Environment Agency, both to discharge into and then to abstract water from the River Chelmer. I have had regular contact with the agency, which told me that the effect of the proposal on siltation levels in the port of Maldon was a relevant factor which would be taken into account. That was also confirmed by the Minister, in his letter to me of 20 September.

On 9 November, I received a letter from the area manager of the Environment Agency, stating that the agency was minded to grant permission for both authorisations. However, the letter also proposed that a siltation steering group be formed, chaired by the agency and comprising local government officers, port users, English Nature and the water company. It was intended that the group would advise on mitigation measures and would recommend to the agency that, should the scheme have an adverse impact on the estuary, it would have the power to ask that the authorisations be revoked.

However, the Environment Agency's letter stated that the remit of the group would be limited to siltation caused by the recycling scheme, and should not include siltation caused by "natural" processes. That is nothing like sufficient. Who is to agree the amount of extra siltation caused by the scheme? It appears to be the siltation group, but how will the group be expected to meet the cost of obtaining expert opinion? In any case, according to Professor Pethick, the scheme will cause no extra siltation—in fact, it will lead to a reduction.

Furthermore, the port and estuary are already silting up and the scheme will do nothing to stop that. At the most, it might mean that the silting up will take a little longer than it otherwise would. The port of Maldon is being slowly choked by mud. Unless action is taken, it will soon

be lost for ever. Those licence applications represent an opportunity to take that action, and to deal with the effects not just of this recycling scheme but of the total amount of abstraction being carried out by Essex and Suffolk Water.

Will the Minister therefore insist on stronger conditions than those currently proposed by the agency? Specifically, I would like the company to carry out a one-off dredging exercise to remove much of the mud that is currently there, and to deepen the channel. Once that is done, the company should have the responsibility of maintaining the profile of the river bed at that new level, by dredging whenever it becomes necessary. That is the only way to save the port of Maldon.

In conclusion, I express my thanks to those of my constituents who have worked tirelessly to highlight the danger to the very survival of the port. I have received many letters, but I especially acknowledge the efforts of the Maldon District Marine Association, the Maldon Riverside Association, Mr. Brian Kennel of Downs Road boatyard in Maldon and Mr. Frank Thackray.

However, it is not only in Maldon that the loss of the port would be regarded as a tragedy. The Sailing Barge Association, based in London, wrote to me that

"there is no other barge port like Maldon . . . Should the river become unnavigable for Thames barges, then Maldon, the river and the barges will be the poorer for it. The town will lose a key part of its heritage and indeed a central component of its tourist image, the barges their most essential charter base."

In its letter to the Environment Agency, the Association of Bargemen, based in Kent, states that

"the scouring action of the water flowing down the river when the tide has left is absolutely essential to the survival of the port of Maldon. Without it the river will rapidly silt up making it impossible for vessels to navigate in the upper reaches. The result will be disastrous for the port. The barges and boats will have to find another home. The boatyards will close down. All the specialist skills in building and repairing traditional vessels will move away . . . If you allow this scheme to go through it will be the end of all that history and we will be responsible for the ruination of yet another part of Britain's heritage."

The licence applications are currently sitting on the Secretary of State's desk. If he grants them, without the conditions that I have set out, he will be responsible for the loss of the port of Maldon and all of that heritage.

2.44 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Chris Mullin): I congratulate the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) on his good fortune in obtaining the debate—if not on the timing, as on a Friday I am usually in my constituency, 300 miles away.

I am familiar with the ancient and beautiful port of Maldon, as I was born and bred in Great Baddow, which, as the hon. Gentleman knows, is not far away. In my youth, I walked along the River Chelmer from Baddow to Maldon. My parents still live in Baddow, and when I visit them we often have a walk along the waterfront at Maldon. I have also seen the mud race; although it is not my idea of fun, I recognise that it has a certain attraction for some people. I have also been privileged to visit the home of my right hon. Friend the Member for Chesterfield (Mr. Benn), which is also in the hon. Gentleman's constituency, on the water's edge.

Although applications for a discharge consent and for the variation of an abstraction licence by Essex and Suffolk Water obviously lie behind the debate, there is little that I can say directly about those applications, for reasons that the hon. Gentleman will understand and which he has mentioned—that they are currently before the Department of the Environment, Transport and the Regions for a decision by the Secretary of State on whether to call in the applications for his own determination. That decision will be taken on the basis of all the information and evidence available to the Secretary of State, and it will be considered against the established criteria that apply in such cases.

The Environment Agency has already publicly stated that, in its opinion, the consent and the licence should be granted with appropriate conditions, but until the Secretary of State has taken his decision the applications must remain in abeyance. Although I cannot tell the hon. Gentleman when the Secretary of State will take his decision, I can assure him that it will be taken only after careful consideration of the issues. I shall ensure that the hon. Gentleman's speech is drawn to the attention of the Secretary of State.

As the hon. Gentleman knows, and as I said, Essex is far from self-sufficient in meeting its water demand, and 50 per cent. of the water currently used is imported from outside the county. That is the background against which the debate takes place. Twenty per cent. of water used in Essex comes through a bulk transfer from Thames Water and 30 per cent. from the Ely Ouse transfer in Norfolk. At present, treated waste water is discharged to the estuary at Maldon. That represents a potential resource that is currently lost to the sea.

The proposed scheme, to discharge 40 megalitres a day of treated recycled waste water into the River Chelmer and to re-abstract an equal amount from further down the river, is designed to help meet the increasing demand for water in Essex. The scheme is intended to be used only when the natural flow of the river cannot meet customer demand for water during periods of historically low flow—that is, from May to December. It is not intended to be used all year round. At other times, the background flows in the Chelmer and Blackwater are expected to be sufficient to meet demand.

As the hon. Gentleman mentioned, the application is the culmination of over seven years' research. During that period, the staff of Essex and Suffolk Water have collated a large database of ecological data associated with all aspects of the scheme. The company has also employed leading experts in river dynamics and coastal erosion to investigate the siltation issues that have been raised by several local waterside businesses associated with the Blackwater estuary, although I note the other experts' reports that the hon. Gentleman quoted.

We have heard a great deal about the threat to the future of the port of Maldon, and most of the blame for that seems to be levelled at the existing siltation in the port, based on the view that that will worsen if the permissions are granted. I am aware that siltation is a problem, and that it has been threatening the port for many years. However, it is not clear that responsibility for siltation down the years can be pinned down to any one cause. The hon. Gentleman's speech showed that he well understands that. There are several causes, to which I shall return in a moment.

What we can say about the Essex and Suffolk Water applications, given the constraints that I have outlined, is that the Environment Agency proposes conditions and

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criteria that will have to be applied to protect the uses of the River Chelmer and Blackwater estuary. For example, the agency has added a cessation clause that can be invoked if, in its opinion, additional abstraction causes adverse environmental impact that cannot be mitigated. The intention is clear that there should be no additional siltation arising from those permissions.

Regardless of whether siltation is the main threat to the port's viability, parts of the port have already fallen into disuse, and Baltic wharf—or Sadd's wharf as it is also known—is an example of that. Increasingly, as activities normally associated with a healthy, thriving port diminish, there is bound to be speculation about its future. I have sympathy with those whose livelihoods are linked to marine industry, such as boat building and other trades, when those livelihoods are threatened for one reason or another by proposed change.

I am aware that there is a planning application by the Baltic wharf for the use of the site for the construction of offices and light industrial buildings. That application is now the subject of an appeal to the Secretary of State which will be heard at an inquiry in late February 2000. The proposed redevelopment of Baltic wharf could bring economic benefits to the town, but it is a high-profile site and I am aware of the concern that, if it is not retained for port uses, there may be an adverse knock-on effect on existing waterside businesses and a detrimental impact on the character of the port area. They are likely to be among the issues that may be discussed at that inquiry, and it will be for the inspector to take them into consideration in his determination.

In 1989, Maldon's future as a port was the subject of a detailed examination and discussion through the publication of the Maldon riverside study. The study concluded that the port had a future, particularly in the movement of loose cargoes, such as grain, ballast and coal, and that that use of the area should be retained. That conclusion is reflected in the first review of the Maldon local plan, which was adopted three years ago and which states that the grant of permission for other uses, such as housing or offices, would inevitably lead to the demise of the port. The port is also described in the plan as an important part of the town's heritage and character.

In response to arguments that Maldon port has no long-term future because of the limit on the size of vessels using the channel, the local plan states that demand exists for use of Baltic or Sadd's wharf despite those restrictions. The plan accepts that new port uses would involve the import of low-value, high-bulk goods—for example, coal, soya, aggregates, bricks and manure—that could be of an environmentally sensitive nature, but contends that the district council, in its capacity as the local environmental health authority, could control the level of noise, dust and smell associated with bulk cargoes.

Currently, however, there appears to be limited commercial interest in the facility as it is used only by the local flour mill. The income at the port, which I understand is very small, is derived solely from that freight and is used to fund maintenance and buoyage. The moorings at the port are controlled by Maldon district council, which receives the mooring fees.

As to requirements about keeping the port open, that is a matter for the harbour authority. A statutory harbour authority has duties and powers conferred by Parliament, including a duty to keep the harbour open. It cannot simply abdicate or abrogate those duties. If for any reason a port closure is inescapable, there is only one way of rescinding the harbour authority's duties, and that is by an Act of Parliament.

I return to the subject of silt. Several general observations can be made about silt deposits; they necessarily reflect local history, and the hon. Gentleman referred to that. The deforestation of Essex since the middle ages has led to increased erosion of the catchment area. The change from pastoral to arable farming has increased erosion of the catchment area since the second world war. Since the mid-1970s, the sea level locally has risen nearly 6 in, resulting in increased erosion of salt marsh, of which 30 per cent. has been lost since 1973. That results in more material from the lower estuary being washed towards Maldon on the flood tide.

At low tide there is no dilution by seawater of the treated waste water. However, the upper estuary is then empty apart from the flow in the central channel, so it is in the central channel only that the treated waste water can have any effect on silt. It is for that reason that Essex and Suffolk Water has agreed to chain dredge the central channel to ensure that there will be no impact if the scheme goes ahead. That may answer one of the points made by the hon. Gentleman.

In summary, then, there is understandable concern about the port's future because of the additional siltation that those applications by Essex and Suffolk Water, if granted, may cause. There is concern too about the effect on Maldon as a whole if the port is lost, because the town's tourist potential is centred on that facility. On the other hand, as I said at the outset, Essex is not self-sufficient in meeting its water demand—50 per cent. of the water currently used comes from outside the county.

Responding well to the challenge that my right hon. Friend the Deputy Prime Minister gave the water companies when we took office in May 1997, Essex and Suffolk Water is making considerable efforts to promote efficient use of water and to manage demand. Nevertheless the company needs additional resources, particularly in view of predicted higher-than-average housing growth in Essex, which, as the hon. Gentleman said, is very controversial.

In addition, as I stated earlier, we are aware that the Environment Agency is minded to impose conditions that would apply should an adverse impact be identified as a result of the additional abstraction. As I said a moment ago, the water company has agreed to chain dredge the central channel to ensure that there would be no impact if the scheme went ahead.

The Secretary of State will take into account all those issues and the hon. Gentleman's speech—which, as I said, I shall draw to my right hon. Friend's attention—before deciding whether to call in the applications, and he will do that as soon as possible.

Question put and agreed to.

Adjourned accordingly at four minutes to Three o'clock.

Written Answers to Questions

Thursday 18 November 1999

[From 17 November 1999 written answer column numbers will be followed by W.]

DEFENCE

Defence Communication Services Agency

Jean Corston: To ask the Secretary of State for Defence what key targets have been set for the Defence Communication Services Agency for 1999–2000. [98609]

Mr. Kilfoyle: The role of the Defence Communication Services Agency is to provide information transfer services to Defence. The Key Targets for the Agency for the 12 months from 1 April 1999 are:

Key Target 1:

To achieve a mean 95 per cent. of the performance targets set down in the Services Baseline Document for the timeliness, accuracy and protection of information transfer services except where other specific targets have been agreed with customers.

Key Target 2:

To commission 90 per cent. of requests for new services on or before the dates agreed with customers.

Key Target 3:

To restore 95 per cent. of interrupted services classed as operationally urgent within four hours or within other specific periods agreed with customers.

Key Target 4:

To answer 85 per cent. of calls to DCSA Operator Assistance Centres in UK within 15 seconds.

RAF Personnel

Mrs. Gilroy: To ask the Secretary of State for Defence what changes are to be made to the reserve service liability of non-commissioned Royal Air Force personnel. [98663]

Mr. Spellar: Currently, on completion of a period of regular service which does not attract an immediate pension, non-commissioned Royal Air Force personnel are liable for up to six years service in either Category 1 or Category 2 of the RAF Reserve of Airmen. The majority of these reservists are placed in Category 1 and have a liability for 15 days annual training, in return for which they receive a small annual payment. Those in Category 2 have no such training liability and, therefore, do not receive payment.

The reason for this annual training liability dates back to the Cold War and was intended to ensure that sufficient trained personnel would be available to provide, at relatively short notice, key point guards in the event of an anticipated attack on the United Kingdom. In the current strategic environment, however, any requirement for reinforcement could be met within the longer period that the Royal Air Force would have to achieve its required readiness states. Moreover, current planning assumptions indicate that, although there is a continuing need for volunteer reservists, there is little likelihood of the Royal Air Force Reserve of Airmen being required to meet Royal Air Force outputs short of regeneration. Indeed, lessons learned from the operations in Kosovo are expected to further emphasise the need for volunteer reserves, rather than ex-regular reserves.

It has therefore been decided that non-commissioned personnel who have a commitment beginning on or after 1 February 2000 to serve in the Royal Air Force Reserve of Airmen, will be placed in Category 2 and will have no annual training liability. Ex-regular personnel currently serving in Category 1 will be invited to forego their annual training liability for the remainder of their reserve service commitment.

This decision will not affect the requirement for all members of the Royal Air Force Reserve of Airmen to keep the Service authorities informed of their contact addresses, and they will still retain their liability for call-out.

CULTURE, MEDIA AND SPORT

British Library

Mr. Bradshaw: To ask the Secretary of State for Culture, Media and Sport if he intends to undertake a review of the British Library. [98605]

Mr. Alan Howarth: As part of my Department's programme of quinquennial reviews of its public bodies, I have today announced the start of our Review of the British Library.

The British Library is the national centre for reference, study and bibliographical and other information services, in relation both to scientific and technological matters and to the humanities. The Review of the Library will include an evaluation of its role and functions and how those functions can best be carried out, and a review of the efficiency and effectiveness of the way in which the Library delivers services to its users. We aim to complete the Review during the Spring of 2000. A copy of the Terms of Reference has been placed in the Libraries of the House.

EDUCATION AND EMPLOYMENT

Remploy

Mr. Dennis Turner: To ask the Secretary of State for Education and Employment when he will undertake a quinquennial review of Remploy Ltd. [98571]

Ms Hodge: As part of the Government's commitment to achieve better public services, as set out in its Modernising Government White Paper, my Department is today beginning a Quinquennial Review of Remploy. Its aim will be to consider Remploy's contribution to the changing economy and within the new framework for civil rights for disabled people. Following standard Cabinet Office guidelines, the terms of reference for the prior options stage of the review will be:

(i) To review the functions of Remploy, the effectiveness with which they have been carried out, and the likely need in the future for these functions.

(ii) To consider whether on efficiency grounds some or all of the functions of Remploy can be carried out within an alternative organisational framework including by another public, private or voluntary sector body or otherwise within government.

(iii) To consider the powers, constitutional status, membership and objectives of Remploy.

We should welcome comments on those matters covered by the review from all those with an interest in Remploy's work. Comments, which may be made public unless respondents specifically request otherwise, should be sent by 31 January 2000, to:

Arthur Blacklock
Adult Disadvantage Policy Division
Department for Education and Employment
Moorfoot
Sheffield S1 4PQ

We have asked that this first stage of the review should be completed by the end of March 2000. The findings will be published and made available to Parliament.

HOME DEPARTMENT

Crime (Sentences) Act

Valerie Davey: To ask the Secretary of State for the Home Department when he intends to implement section 4 of the Crime (Sentences) Act 1997. [98814]

Mr. Straw: Section 4 of the Crime (Sentences) Act 1997 will come into force on 1 December 1999.

This provides a minimum sentence of three years imprisonment for those convicted for the third time of an offence of domestic burglary.

Political Parties (Funding)

Mr. Ivan Lewis: To ask the Secretary of State for the Home Department how many replies were received in response to the White Paper on the funding of political parties in the United Kingdom. [98815]

Mr. Mike O'Brien: The Home Office has received 36 written responses to the White Paper on the funding of political parties in the United Kingdom. Of those, only two have asked to remain confidential. Copies of the rest have been placed in the Library.

We are giving careful consideration to the issues raised by respondents and will take them fully into account in the preparation of a Bill for introduction in Parliament.

Police Training

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department what plans he has for the future of police training in England and Wales. [98816]

Mr. Straw: A consultation document on proposals for new arrangements for the structure and delivery of police training in England and Wales has been published today. Copies have been placed in the Library and are also being sent to police forces, police authorities, police staff associations and other interested parties. They have been invited to comment by 8 January 2000.

The consultation period reflects the discussion and debate we have had during the extensive examination of police training in recent months. There has been an inquiry by the Home Affairs Committee, a thematic inspection of training by Her Majesty's Inspectorate of Constabulary, a report by Sir William Stubbs and Roger McClure of the London Institute and two reports by the Police Federation. I am grateful to all those who have carried out these surveys and to all those who contributed their time and views during their preparation.

The consultation paper published today is firmly based on these studies. The paper describes the changes which the Government believe will deliver real improvements. There are numerous examples of good practice and indeed excellence under present arrangements and the proposals will build on those. The proposals, however, also represent an opportunity for a fresh start in police training: I believe that the police service and all the stakeholders in police training in England and Wales are ready to take action in this important area.

The proposed new arrangements will enable the police service to benefit from new development in education and training and in information and communications technology to achieve professional excellence.

The proposals published today provide an unprecedented opportunity to raise standards in police training across the board, to provide relevant profession-long training and development for all staff and to translate effective training into real outcomes.

Witnesses

Mr. Alan Keen: To ask the Secretary of State for the Home Department what is the proposed timetable for the implementation of *(a)* the recommendations relating to vulnerable and intimidated witnesses contained in the report, "Speaking Up For Justice", and *(b)* the measures designed to help witnesses give evidence in Part II of the Youth Justice and Criminal Evidence Act 1999. [98817]

Mr. Charles Clarke: The Government are determined that action should be taken to implement the recommendations in "Speaking Up For Justice" as soon as possible while ensuring that all the necessary equipment and underpinning guidance is in place. I have today published an implementation plan, "Action For Justice", which explains how the agencies working in the criminal justice system are responding to the report. It includes a timetable for implementation, including those witness measures contained in the 1999 Act. Copies have been placed in the Library.

Immigration

Helen Jones: To ask the Secretary of State for the Home Department what plans he has to strengthen immigration legislation to tackle abuse of the United Kingdom's immigration control. [98818]

Mrs. Roche: The Government are firmly committed to ensuring that those who seek to migrate to the United Kingdom, but have no grounds for doing so under the Immigration Rules, are prevented from coming here.

From the first moment of Friday 19 November, we will require nationals of the Republic of Croatia to obtain visas to come to the United Kingdom. Croatian nationals will also have to obtain a Direct Airside Transit Visa when they intend to remain airside while in transit through the United Kingdom.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Rent Assessment Panels

Mr. Crausby: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made on the Financial Management and Policy Review of Rent Assessment Panels in England. [98437]

Mr. Mullin: I have today published a consultation paper on a review of Rent Assessment Panels in England, setting out options for improving their organisation and management.

Rent Assessment Panels and their committees and tribunals drawn from them, have an important role to play in dealing with fair rent appeals and in resolving disputes between leaseholders and landlords. It is essential they provide an effective service and that it is responsive to the needs of the people who use them.

The consultation paper sets out a range of options aimed at simplifying the process for all parties and reducing the time taken for disputes to be resolved by the tribunals.

Copies of the consultation paper have been placed in the Library of the House.

Millennium Compliance

Ms Kelly: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the preparations of the international aviation industry towards achieving millennium compliance. [98438]

Mr. Hill: The aviation industry in this country—airlines, airports and air traffic control—has been independently assessed and been declared by the Civil Aviation Authority to be millennium compliant.

Internationally, the aviation industry has adopted a comprehensive approach towards the Y2k problem. The major international aviation organisations—the International Civil Aviation Organisation (ICAO), the International Air Transport Association (IATA) representing the world airlines, and other organisations covering the world's airports and air traffic control systems—have all conducted detailed surveys. Compliance programmes are in the final stages of completion. Current information shows that the international aviation industry is on track for compliance and that airlines will be able to operate services as normal over the Millennium period, should they wish to do so.

As regards foreign aircraft operating to the UK, permits are only granted to airlines if they comply with international safety standards. The Government have advised foreign airlines that permits may be suspended over the Millennium if they are not satisfied there are no Y2k safety related risks.

The Government will not, for Y2k reasons, try to prevent any UK airlines from operating to particular destinations or flying over particular regions. IATA's worldwide project on behalf of its member airlines has produced an exhaustive database to provide its member airlines with an authoritative basis upon which to make informed decisions about the services they provide.

The industry is also engaged on the preparation of national and global contingency plans to deal with any unexpected Y2k problems over the Millennium. On the night of 31 December, special procedures will be in place across the world to monitor the situation and provide for rapid and effective communications between government and industry. Although traffic levels over the period are expected to be considerably reduced compared with previous years, the industry is formulating contingency plans to provide capacity as if air traffic was operating at peak levels, even though it is likely to be one twentieth of this volume. Key facilities such as air traffic control centres will be staffed at higher levels than normal to deal with any unexpected problems.

Orange Badge Scheme

Ms Oona King: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the Orange Badge scheme of parking concessions for disabled people following the report produced by his statutory advisers, the Disabled Persons Transport Advisory Committee. [98572]

Mr. Hill: I have given very careful consideration to DPTAC's report and to the further information which we sought from local authorities about the administration of the Scheme. I have also taken the opportunity to consult my colleagues in the devolved administrations and in Northern Ireland.

We have concluded that a review of the Scheme is necessary to ensure it continues to serve its fundamental purpose: to enable severely disabled people to park close to their destinations. Without the badge the mobility of those who are most disabled would be greatly restricted. We will be starting the process in the New Year and will be reporting further progress to the House at that time. For now, I can confirm that the review will look at the eligibility criteria, as well as the administration and enforcement of the Scheme.

Although the Scheme in Scotland and Wales is a matter for the devolved administrations, and in Northern Ireland for the DOE Northern Ireland, I have agreed with my colleagues that the review will be carried out on a UK-wide basis. That arrangement will not, however, prevent changes being introduced on a devolved basis.

Greenwich Millennium Village

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions when he will be in a position to respond to the report he has received on progress with the Greenwich Millennium Village. [98606]

Mr. Prescott: I have today placed in the House Libraries copies of the report provided by English Partnerships which was produced by Gardiner and Theobald.

I have discussed the report with those leading the project and have agreed that the development may proceed. I have authorised English Partnerships to release the first parcel of land to the developers, so that work can start before Christmas.

I am satisfied that Greenwich Millennium Village is now broadly on course to deliver the original aspirations of the project. The architect, Ralph Erskine, is content that the present scheme proposals are consistent with his original masterplan. I have received personal assurances from Alan Cherry, the Chairman of Countryside Properties PLC, and Bob Hawley, the Chairman of Taylor Woodrow PLC, that the Village will, as planned, set the high standards of innovation and sustainability which are needed for such an important mixed use scheme for the 21st Century.

Planning Enforcement Appeals

Mr. Michael Jabez Foster: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to improve the arrangements for processing planning enforcement appeals in England. [98607]

Ms Beverley Hughes: I have today issued a consultation paper with proposals to improve the effectiveness and efficiency of processing planning enforcement appeals in England. Comments are invited by 18 February 2000.

The improvements are proposed as part of the Government's continuing drive to modernise and streamline the planning system. The proposals are intended to improve the Planning Inspectorate's service to its customers. They aim to increase the efficiency of the enforcement appeals process in the interests of all involved by reducing the time taken to determine appeals and standardise procedures between enforcement appeals and ordinary planning appeals wherever practicable.

Signals Passed at Danger

Mr. White: To ask the Secretary of State for the Environment, Transport and the Regions if he has received from the Health and Safety Executive the first of the monthly reports which he requested on signals passed at danger; and if he will make a statement. [98608]

Mr. Prescott: Following the train crash at Ladbroke Grove on 5 October, a number of urgent actions were put in hand to achieve a more open, more responsive and more rigorous culture of safety across the rail industry. As part of these, I asked the Health & Safety Executive (HSE) to let me have regular reports for publication monthly, on all signals passed at danger (SPADs). I received the first of those reports on Tuesday and have now placed a copy in the House Library. I will ensure that future reports are also placed in the Library.

This first report includes some background information on SPADs and how they are dealt with by the industry and HSE's Railways Inspectorate. It gives statistics for SPADs for the last 10 years and splits the figures by month. The annual figures show that the totals have been falling gradually since 1993–94 until the 8 per cent. rise in 1998–99, which prompted HSE to demand improvements from the industry on how they responded to SPADs. The monthly figures demonstrate the cyclical nature of the problem, with SPADs tending to peak in October/November, when damp conditions and falling leaves can lead to poor braking performance.

This October there were five serious incidents (which for instance, breached the 200 yard safety overlap usually allowed at signals), comprising 7 per cent. of the total for the month. As well as the industry investigation of every SPAD, HSE will also investigate thoroughly these more serious SPADs. We should not read too much into one month's figures but the October total was significantly lower than last year.

The October SPAD figure has only been bettered once in the last 10 years. We must not be complacent however. The Ladbroke Grove accident demonstrated all too clearly how a single SPAD can result in catastrophe. That is why it is so important that the rail industry commit to reducing the number of SPADs. I sought this commitment from the industry at the rail summit which I held last month. When the industry reports back to me on 30 November I shall expect nothing less from them than a detailed programme of action.

PRIME MINISTER

Commonwealth Heads of Government Meeting

Mr. Stuart Bell: To ask the Prime Minister if he will make a statement on the recent Commonwealth Heads of Government Meeting held in South Africa. [98662]

The Prime Minister: I attended the Commonwealth Heads of Government Meeting, which took place in South Africa from 12–15 November.

The meeting welcomed Nigeria back into the Commonwealth and Nauru as a full member.

The meeting took significant decisions on the future of the Commonwealth, the promotion of democracy and human rights, Pakistan and debt, trade and development.

Commonwealth Heads agreed my proposal that we establish a high-level group, under the Chairmanship of President Mbeki, to review the role of the Commonwealth in the 21st Century. In addition to South Africa, the UK, Australia, Fiji, India, Malta, Singapore, Tanzania, Trinidad and Tobago and Zimbabwe will be on the group. It will report to the next Heads of Government Meeting in Australia in 2001.

Commonwealth Heads re-affirmed the fundamental political values enshrined in the Harare Commonwealth Declaration. We sent a strong message to General Musharraf in Pakistan calling for a speedy restoration of democracy and the immediate release of Nawaz Sharif and the others detained with him. We agreed that Pakistan should remain suspended from the Councils of the Commonwealth.

Heads discussed the special theme of "People-Centred Development: the Challenge of Globalisation". We agreed the Fancourt Declaration, which provides a broad agenda to which all Commonwealth countries agreed to work. Heads agreed that globalisation should bring benefits to all, provided it is a genuine force for liberalisation and is accompanied by structural reform and improved competitiveness. We agreed that the new round of WTO

trade negotiations should have a development focus, should cover agriculture, services and industrial products and should be balanced.

Heads expressed concern about the impact of HIV/AIDS, particularly in sub-Saharan Africa. I announced over £22 million of UK assistance for HIV/AIDS related projects, including:

£14 million for development of a low-cost vaccine;

£7.5 million for the implementation of an HIV/AIDS strategy in Southern Africa; and

£1.2 million to train more than 700 VSO volunteers to raise awareness of HIV/AIDs in Southern Africa.

The Second Commonwealth Business Forum was held in Johannesburg immediately before the Heads meeting. It highlighted the importance of links between Government and the private sector throughout the Commonwealth.

Heads elected Don McKinnon to succeed Chief Emeka Anyaoku as Commonwealth Secretary General. We paid warm tribute to Chief Anyaoku's service over the last 10 years.

I held formal bilateral meetings with President Clerides of Cyprus, President Obasanjo of Nigeria and Prime Minister Vajpayee of India, had a meeting with Caribbean Commonwealth Heads and had the opportunity for informal discussions with many of the other Heads present.

I have arranged for copies of the Durban Communiqué and the Fancourt Commonwealth Declaration on Globalisation and People-Centred Development to be placed in the Library of the House.

SOLICITOR-GENERAL

CPS

Ms Coffey: To ask the Solicitor-General what progress has been made with the introduction of information technology in the Crown Prosecution Service; and if he will make a statement. [98440]

The Solicitor-General: As a first step in the CPS's IT Modernisation Programme, CPS prosecutors and caseworkers will be given modern IT tools and the ability to communicate electronically with other criminal justice agencies. The project will be completed in under two years.

The recent award of £12 million from the Treasury's Capital Modernisation Fund—correcting my answer to the question from my hon. Friend the Member for Stafford (Mr. Kidney) on 21 October 1999, *Official Report*, column *567*—is a major step forward for the CPS. These funds together with a substantial commitment of the CPS's existing resources, will help transform and modernise working practices to deliver better performance. The CPS can start catching-up with IT developments in the criminal justice system and build on its successes in Durham and elsewhere. On 16 September 1999, I visited the CPS office in Stockport, which is a pilot site for an integrated IT system linking the CPS with the police and courts. CPS staff in Stockport, including prosecutors, have embraced enthusiastically the introduction of IT. All staff now use the system to produce correspondence, prepare for trials, and perhaps, more significantly, have established electronic links with the Magistrates Court as well as the Stockport Division of the Greater Manchester Police.

LORD CHANCELLOR'S DEPARTMENT

Public Trust Office

Mr. Tony Lloyd: To ask the Parliamentary Secretary, Lord Chancellor's Department when the Government will publish the quinquennial review of the Public Trust Office. [99046]

Jane Kennedy: The Lord Chancellor has today published the Quinquennial Review of the Public Trust Office, an Executive Agency of the Lord Chancellor's Department established in 1994.

The Review found strong support for the Government offering protection for the financial affairs of people who are mentally incapable of managing them for themselves.

The Review recommends that the delivery of the Public Trust Office's key services should be carried out by organisations operating in the voluntary and public sectors, and private sector suppliers. The Lord Chancellor would remain ultimately responsible for the services provided. The Public Trust Office would focus on monitoring the provision of such services and ensuring that the needs of vulnerable people were met. The Review recommends that the Public Trust Office's refinanced and refocused operations should be performed by other parts of the Lord Chancellor's Department: the Court Service and the Official Solicitor's Office. The current Public Trust Office would then be phased out as a separate executive agency.

The Lord Chancellor has welcomed the Review's clear diagnosis of the challenges faced by the Public Trust Office. He agrees that radical change is required and he, together with colleagues, will wish to explore the Review's recommendations in a programme of change for the Public Trust Office. In doing so, he will want to be satisfied that reform does not entail placing a greater financial burden on some of the poorest and most vulnerable members of society. The Lord Chancellor will announce, in February 2000, how he will take forward reform.

The Government's overriding objective will be to ensure that the interests of the Public Trust Office's clients are fully protected. To this end the recently established Consultative Forum representing the users of Public Trust Office services will be closely involved in considering how practical improvements to client services can be effected in working up the proposals for change that the Lord Chancellor considers necessary.

Copies of the Review have been placed in the Libraries of both Houses.

CABINET OFFICE

Civil Service (New Deal)

Ms Rosie Winterton: To ask the Minister for the Cabinet Office how many people have been employed in the Civil Service under the New Deal for the young and unemployed. [98439]

Marjorie Mowlam: Based on information provided by Civil Service departments (including their Agencies) participating as employers in the New Deal, the position as at 1 October 1999 is as follows:

Department (including their Agencies)	*New Deal starts since programmes began*		
	Age 18–24	*Age 25+*	*Total*
Agriculture, Fisheries and Food	9	2	11
Cabinet Office	8	1	9
Culture, Media and Sport	0	3	3
Defence	27	21	48
Education and Employment	425	22	447
Environment, Transport and the Regions	8	1	9
Foreign and Commonwealth Office	3	0	3
Government Communications Headquarters	0	0	0
Health	7	5	12
Home Office	4	4	8
International Development	0	0	0
Lord Chancellor's	4	0	4
National Assembly for Wales	13	3	16
Northern Ireland Office	8	8	16
Scottish Executive	22	0	22
Social Security	56	0	56
Trade and Industry	33	6	39
HM Treasury	28	9	37
Other			
Charity Commission	8	0	8
Export Credits Guarantee Department	4	0	4
Government Offices for the Regions	3	0	3
Intervention Board	2	1	3
Lord Advocate's	3	0	3
Totals	675	86	761

AGRICULTURE, FISHERIES AND FOOD

Food Chain Group

Mr. Hoyle: To ask the Minister of Agriculture, Fisheries and Food what advice he has received from the Food Chain Group; and if he will make a statement. [98610]

Mr. Nick Brown: The Food Chain Group comprised senior figures from the National Farmers Union, Food and Drink Federation, British Retail Consortium, IGD (formerly the Institute of Grocery Distribution) and MAFF, under the chairmanship of a senior MAFF official. The Group was invited to review the opportunities for working together and increasing understanding amongst the players in the food chain, and between the industry and consumers.

The Group has reported to me on the challengers and opportunities facing the food chain. The report stresses the vital importance of a viable and competitive food chain and identifies the need for action by industry and government to underpin consumer confidence in the quality and value of our food. The key messages include calls to: enhance the dialogue between partners in the food chain; improve communications with consumers; strengthen consumer confidence; and understand and act upon consumer concerns. The need for joined-up help from the Government to improve the industry's competitiveness is also identified.

I have asked the Policy Issues Council of IGD, which has senior representation across the supply chain, to consider how industry could best take the issues forward. We intend to review progress next Summer.

The report is being sent to a wide range of agri-food organisations and interests, and further copies are available from my Department. Copies have also been placed in the Library of the House.

Written Answers to Questions

Friday 19 November 1999

TREASURY

Employers' National Insurance Contributions

Mrs. Lawrence: To ask the Chancellor of the Exchequer if he will provide details of what employers need to do to prepare for the extension of employers' National Insurance contributions to all taxable benefits in kind from April 2000, as announced in the Budget of March 1999. [99264]

Dawn Primarolo: The extension of Class 1A NICs has been structured around the existing tax reporting system to minimise any extra work for employers. Employers will, for Class 1A purposes, use the valuation figures for benefits that they already put on each employee's P11D form for tax purposes. The P11D will be clearly marked to make it obvious which figures to use to calculate the Class 1A liability.

The first reports on, and payments of, the extended Class 1A contributions will be due in July 2001. Full guidance on how the new arrangements will work in practice will be made available to employers shortly.

In addition, to reflect developments in modern working practices and reduce reporting requirements on employers, the Government will be exempting a number of benefits from both tax and NICs. The benefits to be exempted are:

small amounts of private use by an employee of items provided by the employer for the employee's work;

qualifying beneficial loans; and

general welfare counselling provided by an employer.

The Inland Revenue are also making it clear that an extra-statutory concession, which exempts the benefit of subsidised meals provided to employees in certain circumstances, applies to light refreshments as well.

DEFENCE

Discipline (Human Rights)

Mr. Woolas: To ask the Secretary of State for Defence if he will make a statement about the implications of the Human Rights Act 1998 for the armed forces' system of discipline. [99261]

Mr. Spellar: The Human Rights Act 1998 fulfils our commitment to incorporate into national law those parts of the European Convention on Human Rights that concern individual rights and civil liberties. The Armed Forces Act 1996 introduced reforms to the court martial system that took account of the United Kingdom's Convention obligations. The procedures for trying offences by court martial are therefore compliant with the Convention. At the same time, changes were made to the Services' summary discipline procedures, to provide the majority of defendants with access to a compliant court by offering them the option of being tried by court martial.

Service discipline procedures are kept under regular review and we have been considering the scope for further improvements. As a result, we intend to introduce a requirement for a judicial officer to decide within prescribed time limits whether a suspect or accused needs to be detained prior to charge or trial respectively. This would apply to a summary hearing before the commanding officer and to trial by court martial. We also propose to introduce a right of appeal from summary hearings to a new summary appeal court. To ensure clarity in the distinction between this new right of appeal and the existing right to elect to be tried by court martial, we propose to alter the procedures for exercising the court martial option. Where at present a defendant is able to exercise this option at the end of a summary hearing, but before sentence, this right would in future be exercisable before the hearing.

The legislative proposals required to enact these changes are contained in the Armed Forces Discipline Bill, which was being introduced in another place yesterday.

We are confident that these improvements, like the earlier reforms, will be consistent with the need for the Armed Forces to be able to maintain discipline both in peacetime and during operations, while ensuring that the rights of the individual are fully respected.

Common Pay Scale

Mr. Crausby: To ask the Secretary of State for Defence what plans he has to introduce a common pay scale for the armed forces. [99262]

Mr. Spellar: The Department has developed a new pay structure to provide a more modern and flexible approach to remuneration for the Armed Forces. We had planned to introduce the new structure in April 2000, but this has proved to be a more complex activity than originally anticipated. It has therefore been decided that implementation should be delayed by 12 months until April 2001 to meet the paramount requirement to ensure that our Service men and women are paid correctly and on time.

The Armed Forces Pay Review Body will make pay recommendations in the normal way for the financial year beginning April 2000, based on the present pay system.

PRESIDENT OF THE COUNCIL

Millennium Compliance

Jane Griffiths: To ask the President of the Council when she will publish the latest results of the market research tracking public perception of the millennium bug. [99202]

Mrs. Beckett: I have placed copies of the Executive Summary of the September tracking research in the Libraries of the House.

The latest results are broadly consistent with those for previous months, showing that anxiety among the public on this issue remains low.

The results of the October tracking research will be published in the next few weeks and I will place copies of the Executive Summary in the Libraries of the House as soon as they are available.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Sellafield

Mr. McCabe: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make an announcement about applications to vary some of the radioactive discharge limits at Sellafield. [99263]

Mr. Prescott: The Minister of Agriculture, Fisheries and Food and I have announced our decisions today. Copies of the decision document have been placed in the Library.

This Government are committed to securing progressive cuts in radioactive discharges and discharge limits. Last year we entered into new international obligations (under OSPAR) to reduce radioactive discharges. These involve agreeing a 20-year strategy for cutting discharges that will ensure additional concentrations of radioactivity in the marine environment above historic levels are close to zero. We intend to meet these obligations fully, and are already working with the regulatory authorities and the nuclear industry to prepare the UK's strategy.

Taking full account of this strategy, we have now decided that the Environment Agency should be able to proceed with its proposals which involve significant cuts in a number of discharge limits, or offsetting decreases in those few cases where some increase in discharges limits is proposed. Where discharge limits are being increased it is to enable the historic legacy of stored spent solvent to be treated through the introduction of the Solvent Treatment Plant.

We do intend however to take further action to reduce discharges. The Environment Agency is embarking on a full-scale review of all radioactive discharges from the Sellafield site. I expect the outcome of the review to enable significant further progress to be made in the achievement of the OSPAR commitments. The review, to the point at which the Environment Agency begins consultations on any proposed changes to the Sellafield authorisations, will be undertaken as soon as possible—and in the case of technetium-99 discharges within six months. The Agency has said that its future strategy is for a substantial reduction in the technetium-99 discharges to sea with the aim of reducing discharges to less than 10TBq/year by the introduction of new technology.

AGRICULTURE, FISHERIES AND FOOD

Agriculture Council

Mr. Hood: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Agriculture Council held in Brussels on 15 and 16 November; and if he will make a statement. [98506]

Mr. Nick Brown: The Council unanimously adopted a strategy on environmental integration and sustainable development in the Common Agricultural Policy, in response to an initiative begun in the United Kingdom Presidency in 1998. It also unanimously adopted (Germany abstaining) measures to promote and provide information on Community agricultural products in third countries.

The Council heard Commissioner Fischler introduce proposed regulations covering a Community compulsory beef labelling regime, reform of the flax and hemp regime and revisions to the bananas regime to bring it into line with WTO rules. Commissioner Byrne updated the Council on progress on dealing with the recent dioxin crisis, including his plans to improve the controls of feed.

Under other business I outlined the United Kingdom's strategy for dealing with tuberculosis in cattle and urged other member states to support the United Kingdom's position when this is discussed within the Bern Convention Standing Committee later this month.

Written Answers to Questions

Monday 22 November 1999

HOME DEPARTMENT

Kosovan Refugees (Costs)

Mr. Don Foster: To ask the Secretary of State for the Home Department by what date councils which incurred costs in respect of Kosovan refugee reception centres *(a)* will receive details of the revised format for the submission of costs, *(b)* be expected to make their submissions and *(c)* receive reimbursements; if reimbursements to councils will include loss of interest; and if he will make a statement. [98533]

Mr. Straw: Proposals for a Special Grant to reimburse English local authorities for additional expenditure incurred in connection with the acceptance of displaced persons from Kosovo under the United Nations High Commission for Refugees Humanitarian Evacuation Programme, were circulated to local authorities for consultation on 17 November.

The consultation period will end in December. The aim is that the Grant Report will be laid before Parliament around the turn of the year. On current plans, local authorities would submit claims to the Home Office by the end of February 2000 for relevant expenditure in the period to December 1999. Those claims will be paid in the current financial year. An audited claim for the full financial year will be submitted as soon as the authority is in a position to do so at the end of the financial year and any outstanding balance of grant will then be paid. The Special Grant will meet all relevant expenditure which the authority demonstrates was additional but it will not meet claims for loss of interest.

Immigration and Asylum Act 1999

Mr. Lidington: To ask the Secretary of State for the Home Department what is his planned timetable for the revision of the Immigration Rules and the publication of revised rules following the passing of the Immigration and Asylum Act 1999. [98757]

Mrs. Roche: We intend to phase implementation of the Immigration and Asylum Act 1999 over the next 12 to 18 months, giving priority to the new asylum support arrangements and the civil penalty for carrying clandestine entrants. Amendments to the Immigration Rules will be published as necessary when specific provisions are implemented. A major consolidation of changes to the Rules is likely to be required at the end of the implementation process.

Asylum Seekers

Mr. Loughton: To ask the Secretary of State for the Home Department what services are provided for asylum seekers for help with shopping; and at what cost to public funds. [98638]

Mrs. Roche: No information on costs specifically relating to any assistance to asylum seekers for help with shopping is available to the Home Office.

Asylum seekers who claim asylum at their port of entry may be eligible for social security benefits. Those who do not claim at their port of entry may be supported by local authority social services departments. In addition, local authorities may provide various means to enable asylum seekers to obtain essential living needs.

FOREIGN AND COMMONWEALTH AFFAIRS

De Beers

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions Her Majesty's Government have had with leading British diamond purchasers, with particular reference to De Beers, as to what controls they have put in place to ensure that they are not purchasing Angolan diamonds without a certificate of origin. [99158]

Mr. Hain: On 5 October, De Beers announced an embargo on the purchase of all diamonds from Angola by its buying offices world-wide. I applaud this decision and hope that others will follow their example to put pressure on UNITA and bring them to the negotiating table. We continue to hold regular discussions with De Beers, representatives of which I met recently.

Kosovo

Mr. Maples: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's position on the FCO Policy Document 148, 1986, in relation to NATO intervention in Kosovo. [98534]

Mr. Vaz: FCO Policy Document No.148 was a paper prepared by the FCO Policy Planning staff in July 1984 as a basis for discussion. It was not a statement of government policy.

As we have stated on many occasions, we are clear that the NATO action in Kosovo was justified in the light of overwhelming humanitarian need.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Railtrack (Safety)

Mr. Crausby: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that the Rail Regulator requires Railtrack to improve its safety standards. [98667]

Mr. Hill: It is for the Health and Safety Executive, as the sole regulator for railway safety, to ensure that Railtrack meets, and where necessary improves, its safety standards. The Health and Safety Executive have a memorandum of understanding with the Rail Regulator to facilitate liaison between the two organisations.

Road Trains

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his Department's policy on the use of road trains in town and city centres. [98633]

Mr. Hill: Goods vehicle road trains, ie a lorry towing a trailer, meeting the technical requirements of the Road Vehicles (Construction and Use) Regulations 1986, as amended, and the Road Vehicles (Authorised Weight) Regulations 1998 are generally allowed to operate in the UK. However, they may be subject to local restrictions.

There are also in existence some small vehicles that carry passengers in trailers which cannot meet the definition of a public service vehicle and cannot be used as such. They are individually authorised, generally to operate on limited sightseeing routes.

Regional Development Agencies

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what measures he has taken to ensure that the economic strategies of the regional development agencies are consistent with emerging regional planning guidance in each region. [98528]

Ms Beverley Hughes: Draft Planning Policy Guidance Note 11 on "Regional Planning" (PPG 11) and the statutory guidance to the RDAs on the formulation of their strategies set out the relationship between Regional Planning Guidance and the strategies.

Both draft PPG 11 and the statutory guidance to RDAs emphasise the complementary nature of the guidance and strategies and stress the need for the regional planning bodies and the RDAs to work closely together.

This is already happening. The RDAs and the planning bodies are talking to each other and mapping a way forward with the benefit, for example, of joint working parties. In some regions RDA board members are also members of the regional planning body.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what measures he has taken to ensure that the regional development agencies have given due regard to the views of their designated voluntary regional chambers. [98531]

Ms Beverley Hughes: We have given each Regional Development Agency (RDA) a direction under section 8(2)(a) of the Regional Development Agencies Act 1998 requiring them to have regard to the views of their designated regional chamber in formulating and keeping under review the regional strategy that they are required to produce under the Act.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions if he will require regional development agencies to publish a list of changes that were made to each of their draft strategies as a result of the findings of a sustainability appraisal. [98526]

Ms Beverley Hughes: The Regional Development Agencies received a wide range of comments on their draft Regional Strategies. They have taken account of these in their own ways and have made their own publicity arrangements. The draft Strategies and the revised versions, which were presented to the Government on 26 October, are public documents.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the Regional Development Agencies which have published an appraisal of how their economic strategy will foster effective protection of the environment, as required by the statutory guidance to the Regional Development Agencies. [98525]

Ms Beverley Hughes: Guidance on the formulation of the strategies was issued to the Regional Development Agencies (RDAs) on 31 March 1999. This specifies that an appraisal of the contribution the strategy will make to sustainable development should be produced. The appraisal should cover social, economic and environmental sustainability.

All RDAs carried out a sustainable development appraisal of their draft strategies which informed the development of their final strategies. The following RDAs have already made these appraisals publicly available, and copies are available from the RDAs directly:

Yorkshire Forward
One North East
East of England Development Agency
East Midlands Development Agency
South West of England Development Agency
South East of England Development Agency.

The North-west Development Agency has now commissioned a further appraisal of the final version of its strategy. This, together with the appraisal of the draft strategy and the agency's response to this, will be available as a single document by the middle of December 1999. Advantage West Midlands have commissioned consultants to undertake an appraisal of their final strategy which will be available in the middle of December 1999.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what sanctions may be applied to the Regional Development Agencies if they fail to act in accordance with the commitments made in their *(a)* published strategies, *(b)* action plans and *(c)* corporate plans. [98530]

Ms Beverley Hughes: The RDAs have to operate within the standard framework which applies to all non-departmental public bodies. They are accountable to Ministers and, through them, Parliament. Performance against delivery of the RDAs' strategies, action plans and corporate plans will be an important factor in decisions on the allocation of future resources.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what measures he has taken to ensure that the Regional Development Agencies have, in their strategies, properly addressed their responsibilities in relation to rural areas. [98532]

Ms Beverley Hughes: Guidance on the formulation of the strategies was issued to the Regional Development Agencies (RDAs) on 31 March 1999. This outlined how the RDAs should seek to meet their statutory duty under

Section 4 of the Regional Development Agencies Act 1998, which states that the RDAs' purposes apply as much to the rural parts of their areas as the non-rural parts.

Supplementary, non-statutory, guidance on the formulation of the strategies was issued at the same time, which included a chapter on rural issues.

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what measures he has taken to ensure that the Regional Development Agencies' duty to promote sustainable development is adequately reflected in their strategies. [98529]

Ms Beverley Hughes: Guidance on the formulation of the strategies was issued to the Regional Development Agencies (RDAs) on 31 March 1999. This outlined how the RDAs should seek to meet their statutory duty under Section 4 of the Regional Development Agencies Act 1998, to contribute to the achievement of sustainable development in the UK, where it is relevant to its area to do so.

The guidance specifies that an appraisal of the contribution the strategy will make to sustainable development should be produced.

Information Technology

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the information technology projects undertaken by his Department and agencies responsible to his Department, including *(a)* start date, *(b)* planned completion date, *(c)* expected completion date, *(d)* planned costs and *(e)* the expected costs; and if he will make a statement. [98642]

Ms Beverley Hughes: The information that the hon. Gentleman requested is not held centrally and could be obtained only at disproportionate cost.

London Eye

Mr. Gale: To ask the Secretary of State for the Environment, Transport and the Regions what provision has been approved by the Health and Safety Executive for the evacuation of the London Eye in the event of an emergency; and if he will make a statement. [98634]

Mr. Meacher: There is no requirement for the Health and Safety Executive (HSE) to approve emergency evacuation procedure for the London Eye under the Health and Safety at Work, etc. Act 1974. The Executive has produced industry guidance for Safe Practice at Fairgrounds. The responsibility for the safe operation and the emergency arrangements belong to the operator. The Executive is in discussion with British Airways London Eye, the operator of the wheel, about escape procedures including the need to practise them before the wheel is used.

Energy Efficiency

Mrs. Gilroy: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the savings which could be made in the management and maintenance of public sector housing by a programme of installing energy efficiency measures in order to end fuel poverty in public sector housing. [99115]

Mr. Meacher: Under my Department's Energy Efficiency Best Practice Programme, the Building Research Establishment commissioned some limited studies in the early 1990s. The studies estimated that public sector landlords could expect to save of the order of £300 and £400 per dwelling per year as a result of applying comprehensive energy efficiency improvements to public sector housing. These savings resulted from reductions in management time dealing with rent arrears, lower management costs associated with handling fewer complaints, voids and vandalism, and lower maintenance costs. The studies are available as published Energy Efficiency Best Practice programme case studies (numbers 186, 187 and 189) and I will arrange for copies to be placed in the Libraries of both Houses.

Green Ministers Committee

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions when the Green Ministers Committee last met; if he will publish the minutes of the last meeting of the Green Ministers Committee; and if he will publish the agenda for the next meeting of the Green Ministers Committee. [99201]

Mr. Meacher: The Green Ministers Committee met on 9 November. The minutes and agenda are not made public, but the House is advised of what happened at each meeting. I refer the hon. Member to the reply to my hon. Friend the Member for Plymouth, Sutton (Mrs. Gilroy), with regard to the outcome of the Committee's last meeting, which follows.

Mrs. Gilroy: To ask the Secretary of State for the Environment, Transport and the Regions when the last meeting of Green Ministers was; what was discussed; and if he will provide a list of Ministers who now sit on the Green Ministers Committee. [99516]

Mr. Meacher: The Green Ministers Committee met on 9 November. Baroness Young, of English Nature, gave a presentation about biodiversity and a lively discussion followed.

The Committee: agreed a checklist on biodiversity that Departments will use to consider what action they can take in this area; considered how to raise awareness in Government of sustainable development and the Greening Government Initiative; agreed to take an active role in next year's review of Government spending; reviewed the proposals the Committee should make on new energy targets for the Government estate from April 2000; and agreed to consider what strategic approach should be taken to the Committee's work at the next meeting.

Following recent changes in Ministerial responsibilities, the full list of Green Ministers is as follows:

Department	*Minister*
Chairman	Michael Meacher MP
Agriculture, Fisheries and Food	Elliott Morley MP
Cabinet Office	Graham Stringer MP
Chancellor's Departments	Stephen Timms MP
Culture, Media and Sport	Janet Anderson MP
Defence	Peter Kilfoyle MP
Education and Employment	Jacqueline Smith MP
Environment, Transport and the Regions	Beverley Hughes MP
Foreign and Commonwealth Office	Peter Hain MP

Department	Minister
Health	Yvette Cooper MP
Home Office	Mike O'Brien MP
International Development	George Foulkes MP
Law Officers'	Ross Cranston MP
Lord Chancellor's	David Lock MP
Social Security	Hugh Bayley MP
Trade and Industry	Patricia Hewitt MP
Northern Ireland Office	The Lord Dubs

Road Traffic

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions (1) what projections he has made of road miles travelled on UK roads for each year between 1999 and 2010 by *(a)* domestic cars, *(b)* commercial vehicles, and *(c)* public transport vehicles; [99184]

(2) what assessment he has made of the effect on road congestion of increases in road fuel duties since May 1997; [99166]

(3) what projections he has made of the number of vehicles on UK roads in each year between 1999 and 2010. [99183]

Mr. Hill: Revised assessments of future traffic levels, taking into account the potential impact of the Integrated Transport White Paper are being prepared to inform the Government's first report under the Road Traffic Reduction (National Targets) Act 1998, which will be published shortly.

SOLICITOR-GENERAL

"Consents to Prosecution"

Mr. Dismore: To ask the Solicitor-General how the Government proposes to respond to the recommendations contained in the Law Commission report, Consents to Prosecution (Law Com No. 255). [99521]

The Solicitor-General: We are grateful to the Law Commission for a very careful and thorough report. The proposals contained in the report are accepted in principle, subject to the following points. There is a clear need for rationalisation of the consent provisions which attach to certain criminal offences. In particular, the separation of investigation and prosecution effected by the establishment in 1986 of the Crown Prosecution Service reduces the need for consent provisions. The careful analysis of the consent regime, the justification for its existence and the way in which it has been applied to a wide variety of offences provides a useful basis for further work, which the Law Commission identifies.

The Government recognise that the current consent requirements are in need of reform and agree with the Law Commission's view that a consent provision must attach to a particular offence not to a particular defendant or class of defendants.

The Government share the Law Commission's view that further consideration will need to be given to the categories of case in which consent should be required. The categories set out in the report create a useful guide for analysing the offences which require consent, and these will need to be applied flexibly. In particular, the Government wish to leave open the possibility of requiring consent provisions where reasons of public policy make this appropriate. The Law Commission recognises that the category which relates to controlling the prosecution of offences where the prosecution may violate a convention right may not be confined to Article 6 cases, and that further consideration will be required. The report acknowledges that further work will need to be carried by the Legal Secretariat to the Law Officers aimed at identifying the scope of the necessary reform.

The Government welcome the Law Commission's view that some consent provisions should be retained. It may be appropriate at some future date to examine more widely the issues concerning the ability to bring private prosecutions.

The Government recognise the importance of the DPP's role in relation to taking over proceedings and discontinuance but, as the Law Commission acknowledges, there are a large number of designated authorities specified in consent provisions. Further consideration will need to be given to the position of the DPP in relation to those other prosecutors.

The Government welcome the proposal that, as regards existing legislation, provision should be made to enable, in appropriate cases, transfer of consent provisions by statutory instrument; and as regards future legislation, provision should be made to enable transfer of consent provisions by statutory instrument. Such statutory instruments will be made under the affirmative resolution procedure to facilitate scrutiny.

As acknowledged in the report, the report concentrates on guiding principles, and further work will need to be done before changes can be made to the existing consent provisions.

Work will begin on:

(a) identification of all the offences which require DPP or Law Officers' consent;

(b) further consideration of the scope of the first category, concerning possible violation of convention rights;

(c) further consideration of the position of the DPP in relation to other prosecutors including other Government Departments and agencies who are designated prosecutors;

(d) consideration of which consent provisions should be retained, applying in a flexible way the criteria set out in the Commission's report.

With regard to future proposals to create consent provisions, the Government's policy will be informed by the criteria set out in the report.

The Government accept this is an area in which change is needed and will bring forward legislation when parliamentary time allows.

Law Officers

Mr. Dismore: To ask the Solicitor-General if he will make a statement concerning the role of the Law Officers in prosecutions which are conducted by Government Departments and agencies whose prosecuting responsibilities are not subject to their formal superintendence. [99522]

The Solicitor-General: The Government have decided that, with effect from the date of this answer, the Law Officers should have a more formal role in respect of prosecutions by Government Departments and agencies that are not subject to their superintendence. In future, the Law officers will examine cases raising important matters of particular difficulty. They will have regular meetings with senior representatives in each Department or agency to discuss such cases, and prosecution issues more generally; and will receive regular written information on casework of particular concern.

The focus of the new arrangements will be on prosecution cases rather than the allocation of resources or determination of prosecution priorities, which must be a matter for each Department and agency. In cases in which the Law Officers do express a review, the final decision will remain with the responsible Minister or office-holder, but the Law Officers' views will be taken fully into account.

I should like to make plain that this initiative is prompted by a desire to strengthen the current arrangements, it is not a response to the handling of any particular case. The new arrangements are intended to enhance decision making within the prosecution process, and should lead to worthwhile improvements in the quality of such decision making. No legislative measures will be necessary to put the arrangements into effect.

PRIME MINISTER

Christie Hospital

Mr. Brady: To ask the Prime Minister what representations he or his office have made to *(a)* the Department of Health, *(b)* Christie Hospital NHS Trust and *(c)* NHS Executive North West relating to the future designation of the Christie Hospital as a regional cancer centre. [98830]

The Prime Minister: There have been no representations to either the Department of Health or the Christie Hospital National Health Service Trust concerning the designation of a regional cancer centre other than to seek advice on correspondence received in my office.

Mr. Brady: To ask the Prime Minister what representations he or his office have made to *(a)* the NHS Executive North West or *(b)* the Department of Health recommending the merger of the Christie NHS Hospital Trust with another NHS trust. [98831]

The Prime Minister: None.

DEFENCE

Defence Advisory Notices

Mr. Lidington: To ask the Secretary of State for Defence if he will make a statement on his proposals to revise the terms of DA notices. [98759]

Mr. Hoon: The Defence, Press and Broadcasting Advisory Committee, which has a mixed official and media membership, and which is currently revising the terms of the Defence Advisory Notices, is chaired by the Permanent Under-Secretary at the Ministry of Defence.

The six existing DA Notices were last revised in 1993, and can be found in Open Government Document 93/06. They are now being revised again, partly so that they reflect changes to policy since then, for example on the release of certain additional information about nuclear weapons; partly to ensure that no unnecessary security restrictions are imposed; and partly, at the request of the media members of the committee, to give as helpful guidance as possible to editors, broadcasters and publishers.

Changes to some of the details of the terms of the Notices will not affect any other aspects of the DA Notice system, which is advisory and voluntary, and leaves responsibility for what is published with the editor or publisher.

The aim is to complete work on the revision of the Notices by early next year, when a new Open Government Document will be issued.

SOCIAL SECURITY

ONE Service

Gillian Merron: To ask the Secretary of State for Social Security what proposals he has relating to the operation of the ONE service. [99517]

Angela Eagle: Regulations have been laid today containing provisions to support joint working between the Benefits Agency, the Employment Service and local authorities within the ONE service.

The present system requires claimants to deal separately with different parts of the welfare system for each individual benefit they want to claim. It also requires them to provide similar information in support of each claim.

These regulations support the operation of the ONE service by enabling all a customer's benefit needs to be dealt with in a single location and their information to be collected just once. The ONE service is a major step forward in modernising the benefit system giving people of working age a personal adviser who can help deal with all their benefit needs, and provide advice and support on how they may become more independent.

These regulations also support the operation of our other main welfare-to-work measures.

Incapacity Benefits

Gillian Merron: To ask the Secretary of State for Social Security what plans he has to collect additional information about people's work-related capacities through the medical assessment process for incapacity benefits. [99518]

Mr. Bayley: Regulations have been laid today giving effect to provisions in the Welfare Reform and Pensions Act 1999 which will enable the All Work Test to play a more positive role in helping people claiming incapacity benefits to return to work.

The Social Security (Incapacity for Work) Miscellaneous Amendments Regulations 1999 allow additional positive information about what people can do in spite of their illness or disability to be collected through the medical assessment process. A new "Capability Report" will be prepared by the doctor who assesses the person for benefit purposes, and sent to Personal Advisers to help them give advice and support to sick and disabled people who want to work. The benefit decision-maker will not see the Capability Report and it will have no effect on people's benefit entitlement.

These provisions will come into force from 13 December, to allow the new "Capability Report" to be piloted in the 12 ONE areas.

In addition, the regulations rename the All Work Test the Personal Capability Assessment from 3 April 2000.

These regulations do not change the entitlement criteria for benefits paid on the grounds of incapacity. People will continue to be assessed against a set of functional medical criteria. However, many disabled people who would meet the criteria for benefit are in work; and many more want to work and could do so with the right help and advice. ONE is starting to give people that help and the new Capability Report will make a constructive contribution to this.

Invalid Care Allowance

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the cost of disregarding invalid care allowance in assessments for means-tested benefits. [98545]

Mr. Bayley: The estimated cost of disregarding all Invalid Care Allowance in the assessments for means-tested benefit is £450 million.

Notes:

1. The costs are derived from the June 1999 Pensions Simulation Model based on the 1996–97 Family Resources Survey updated to 1999–2000 prices and adjusted using the May 1999 Income Support Quarterly Statistical Enquiry.

2. All costs are rounded to the nearest £10 million.

Benefit Claims (Internet)

Mr. Loughton: To ask the Secretary of State for Social Security what facilities are available for the submission of completed benefit claim forms over the Internet. [99197]

Angela Eagle: Currently, the Department does not have the facility to process claim forms submitted over the Internet. However, the Department is undergoing a review of its website, which includes providing facilities to submit benefit claim forms on the Internet in the future.

Carers

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the cost of extending the minimum income guarantee to carers who provide at least 35 hours of care a week. [98546]

Mr. Bayley: Bringing Income Support (IS) for those on the Carer Premium in line with the minimum income guarantee would set the Carer Premium to £23.60. The cost of this £9.65 increase in the Carer Premium is estimated at £100 million.

Notes:

1. All estimates are derived from the 1999–2000 Pensions Simulation Model based on the 1996–97 Family Resources Survey uprated to 1999–2000 prices with IS administrative adjustments.

2. The costs given are rounded to the nearest £10 million.

HEALTH

Waiting Lists

Mr. Gibb: To ask the Secretary of State for Health how many people were waiting for a first appointment with a consultant in the West Sussex health authority area on *(a)* 1 April and *(b)* 1 October. [98618]

Mr. Denham: The information requested is not available centrally.

Mr. Gibb: To ask the Secretary of State for Health how many people were on the NHS waiting list for treatment in the West Sussex health authority on *(a)* 1 April and *(b)* 1 October. [98620]

Mr. Denham: The number of people waiting for treatment in the West Sussex health authority area is contained in the table.

Number of people waiting for elective admission in West Sussex health authority

Date	*Total waiting*
31 March 1999	19,046
30 September 1999	20,230

Mr. Gibb: To ask the Secretary of State for Health if waiting times for hearing aid installations are included in official NHS waiting list figures. [98617]

Mr. Denham: Information on waiting times for fitting hearing aids is not collected centrally.

Patient Costs (Reimbursement)

Mr. Lilley: To ask the Secretary of State for Health how, by whom and over what time period hospitals will be reimbursed for patients receiving out-of-area treatment. [98503]

Mr. Denham: Under the Out of Area Treatment (OAT) arrangements, each National Health Service trust has a main commissioner. The main commissioner health authority is funded for OATs through a non-recurrent adjustment to allocations as part of the overall process for setting cash limits for the financial year. NHS trusts are funded by their main commissioners.

Christie Hospital

Mr. Brady: To ask the Secretary of State for Health what representations his Department has received seeking the merger of the Christie NHS Trust with any other NHS trust. [98834]

Mr. Denham: There have been no such representations and, as far as I am aware, there are no plans to merge the Christie Hospital National Health Service Trust with any other NHS trust in the North West region.

NHS Trust Chairmen

Mr. Brady: To ask the Secretary of State for Health (1) what criteria are used by his Department to determine if the chairman of an NHS trust should be appointed for *(a)* three years and *(b)* a shorter period; [98833]

(2) which NHS trust chairmen have been reappointed for a second term of office of *(a)* three years and *(b)* two years in the last six months. [98832]

Ms Stuart: The length of appointment for members of National Health Service boards will depend upon a range of factors, including the length of time already served by a re-appointed candidate; when the terms of office of other board members are due to come to an end; and any plans relating to the future of the body involved. Each case will be looked at on its merits, the decision taken depending upon the different circumstances involved.

During the last six months, a total of 65 National Health Service trust chairs have been appointed, of which 25 were re-appointments. Of those chairs who were re-appointed, three were appointed for three-year terms and nine for two years. Details are shown in the table.

Chair	*NHS trust*	*Appointment period*
Three year appointments for re-appointed NHS Trust Chairs		
Anthony Woodbridge	Harrow and Hillingdon Healthcare	1 November 1999–31 October 2002
Dianne Jeffrey	Community Health Care Service (North Derbyshire)	1 November 1999–31 October 2002
Peter Mount	Salford Royal Hospitals	1 November 1999–31 October 2002
Two year appointments for re-appointed NHS Trust Chairs		
Peter Bagnall	Oxford Radcliffe Hospital	1 November 1999–31 October 2001
Alan Connolly	Rockingham Forest	1 November 1999–31 October 2001
Christine Field	Mid-Sussex	1 November 1999–31 October 2001
Peter Suddock	Dudley Group of Hospitals	1 November 1999–31 October 2001
John Wells	James Paget Healthcare	1 November 1999–31 October 2001
Audrey Stenner	Papworth Hospital	1 November 1999–31 October 2001
John Hemingway	Dewsbury Healthcare	1 November 1999–31 October 2001
Brian Nelson	Hereford Hospitals	1 November 1999–31 October 2001
Helen Busteed	Trafford Healthcare	1 November 1999–31 October 2001

Broomfield Hospital, Chelmsford

Mr. Burns: To ask the Secretary of State for Health (1) how many patients have had to sleep overnight in beds in accident and emergency bays at Broomfield hospital, Chelmsford, in the last 36 days; [98521]

(2) how many patients have had to sleep overnight on trolleys in the Accident and Emergency Department of Broomfield hospital, Chelmsford, in the last 36 days; [98520]

(3) what has been the *(a)* longest time and *(b)* average time patients have had to sleep (i) on trolleys or (ii) in beds in the Accident and Emergency Department at Broomfield Hospital, Chelmsford, in the last 36 days. [98522]

Ms Stuart: The information requested is not available.

Mr. Burns: To ask the Secretary of State for Health what action is being taken to ensure no patients have had to sleep *(a)* on trolleys or *(b)* in beds in the accident and emergency department of Broomfield Hospital, Chelmsford. [98523]

Ms Stuart: The winter plan developed by the North Essex health economy has been assessed as low risk by Eastern Regional Office in all areas monitored. This indicates that plans are in place to ensure that there is adequate provision to deal with anticipated demand. The National Health Service trust is working closely with social services and primary care to ensure that this is implemented.

An important part of this is an assessment unit funded from accident and emergency modernisation funds which the NHS trust is to open in its accident and emergency department. Total allocation to Mid Essex Hospital Services NHS Trust is £845,000.

Intensive Care Beds

Mr. Swayne: To ask the Secretary of State for Health how many intensive care beds and high dependency beds there were within the NHS in each of the last three years; and how many of each category he expects to be maintained over the next two years. [98755]

Ms Stuart: Information on the average daily number of beds by ward classification is included in "Bed Availability and Occupancy, England" copies of which are available in the Library.

A ward classed as 'intensive care' may contain high dependency beds and general beds depending on the arrangements for critical care services within individual National Health Service trusts. The figures therefore overstate the number of intensive care beds. For this reason, we have piloted a new census focusing on adult intensive care and high dependency beds, the results of which we will publish in due course.

Health authorities and NHS trusts are finalising plans for more adult intensive care and high dependency beds for this year than last, particularly over the crucial winter period.

Drug Tariff

Mr. Swayne: To ask the Secretary of State for Health if he will list the drugs for which he proposes to set a

maximum price using powers under the Health Act 1999; and if orders will be preceded by a period of consultation. [98753]

Mr. Denham: The powers to control prices of National Health Service medicines are contained in sections 33 and 34 of the Health Act 1999. Section 33 may be used where there is a voluntary scheme, such as the new Pharmaceutical Price Regulation Scheme, to limit the prices charged by members of such a scheme. There are no proposals to set any maximum prices under this provision. The powers in section 34 may be used only in respect of those suppliers and manufacturers who elect not to become members of a voluntary scheme.

A formal consultation with the industry body as required by the Health Act has been completed with the Association of British Pharmaceutical Industry. In addition, we are also consulting the Association of Pharmaceutical Importers and the British Association of Pharmaceutical Wholesalers. We will be introducing secondary legislation to give effect to the powers contained in section 34 of the Health Act 1999. Such powers will ensure equity of treatment for those companies who choose to join the 1999 PPRS and those who do not.

So far all but two companies affected by the price reduction in the voluntary scheme have elected to join the 1999 PPRS. It remains open to those companies to change their elections and join the 1999 PPRS. Otherwise they will be subject to the provisions of the statutory price control measures which will be introduced.

Statutory powers to control NHS prices are not in place and it is not certain which, if any, companies will be subject to them. In the case of a company falling within such powers there will be additional consultation with the company. Therefore I am unable to list the drugs which would be affected by any statutory price control. If specific drugs do become subject to statutory price control then we will publish the details of those drugs at the earliest opportunity.

Statutory Instruments

Mr. Swayne: To ask the Secretary of State for Health how many of the Statutory Instruments introduced by his Department since May 1997 have had the EU as their legislative source. [98754]

Ms Stuart: Sixteen Statutory Instruments introduced by the Department since May 1997 have had the European Union as their legislative source.

TRADE AND INDUSTRY

Manufacturing (North-West)

Mr. Crausby: To ask the Secretary of State for Trade and Industry what plans he has to encourage manufacturing industry in the North West Region. [98669]

Mr. Caborn: Earlier this month my right hon. Friend the Secretary of State for Trade and Industry announced a number of new initiatives which will assist in the creation and development of companies: Regional Capital Venture Funds; a Phoenix Fund, the UK High Technology Fund and Enterprise Grants.

In addition, the new Assisted Areas map will also play a major role in encouraging manufacturing industry in the North West Region.

Industrial Diseases

Mr. Cummings: To ask the Secretary of State for Trade and Industry how many claims have been submitted in respect of *(a)* chronic bronchitis and emphysema and *(b)* vibration white finger; and when he expects all claims to be settled. [99210]

Mrs. Liddell: As at 14 November the Department's claim handlers, IRISC, had received 89,206 claims from former miners and their families for chronic bronchitis and emphysema, and 52,157 claims for vibration white finger.

On 24 September we signed the Handling Agreement with the solicitors representing the miners, which sets out the procedures for settling 100,000+ expected respiratory disease claims. On 5 October the contract to deliver the full Medical Assessment Process was awarded to Healthcall. The first full medical assessments should begin in the next month. We expect all claimants to have been assessed within the next three years.

In July we awarded a contract to SEMA Group for the delivery of the VWF medical assessment process. Tests began in September, seven centres are now open, and SEMA plan to have 12 centres in operation across the mining regions by January. We expect the majority of claimants to have been assessed by the end of next year.

As at 14 November we had made payments to both respiratory and VWF claimants totalling some £90.7 million.

Mr. Todd: To ask the Secretary of State for Trade and Industry what the locations, dates of opening or proposed dates of opening are of centres for medical assessment of claims for vibration white finger. [98683]

Mrs. Liddell: There are currently seven centres in operation in Barnsley, Cardiff, Edinburgh, Glasgow, Mansfield, Newcastle and Sheffield. We expect a further five centres to be up and running by January 2000 in Kent, Manchester, Nottingham, Swansea and Wakefield. The locations for this initial tranche of centres were determined by balancing the geographic distribution of claimants against the availability of the medical resource needed to undertake the testing. We are assessing the options for opening further centres early next year.

Mr. Todd: To ask the Secretary of State for Trade and Industry how many claims his Department has received in respect of respiratory disease; and in respect of how many claims spirometry has been completed. [98744]

Mrs. Liddell: As at 14 November the Department's claim handlers, IRISC, had received 89,206 claims from former miners and their families, of which 28,000 are from widows and dependants.

As at 16 November 26,114 claimants had undergone spirometry tests, with a further 14,400 having been invited to make appointments.

Mr. Todd: To ask the Secretary of State for Trade and Industry if he will list by county of residence the numbers of *(a)* claims received in respect of respiratory disease, *(b)* interim and expedited awards in respect of respiratory disease, *(c)* claims in respect of vibration white finger and *(d)* interim and general damage awards in respect of vibration white finger. [98681]

Mrs. Liddell: A county of residence breakdown is not available. However, the regional breakdown is as follows:

Region	*Respiratory claims received*	*Amount paid in respect of interim/expedited offers (£)*	*VWF claims received*	*Amount paid in respect of interim and general damage offers (£)*
Anglia	301	111,511.45	128	127,545.81
Midlands	16,641	9,234,386.60	10,538	7,655,014.00
North East	33,195	15,119,472.88	26,745	27,833,543.41
North West	5,629	1,801,594.42	2,374	1,317,027.87
Northern Ireland	8	2,000	4	0.00
Scotland	7,687	2,909,873.85	3,714	4,172,361.99
South Central	134	51,727.15	37	20,876.74
South East	1,368	354,182.59	472	94,816.39
South West	599	70,308.35	50	17,578.21
Wales	23,414	9,300,331.58	7,998	5,639,601.83
London	277	48,000.00	87	12,610.88

Mr. Todd: To ask the Secretary of State for Trade and Industry how many claims have been made for respiratory disease where the claimant has since died. [98685]

Mrs. Liddell: As at 14 November IRISC, the Department's claim handlers, have registered 28,249 claims on behalf of the widows or dependants of former miners. However, IRISC have been notified by solicitors of the date of death in only 21,087 cases. 2,980 of these deaths occurred after the date of claim.

Utilities

Mr. Dobbin: To ask the Secretary of State for Trade and Industry what plans he has to ensure that price reductions on prepayment meters are passed on to the consumer. [98492]

Mrs. Liddell: This is a matter for the Director General of Gas and Electricity Markets, who has recently proposed new price controls for the Public Electricity Suppliers, to come into force in April 2000, and with average price cuts of 10 per cent. The Director General is currently considering the price control for British Gas Trading, and will announce that soon. Prepayment meter customers should benefit, as do other customers, from general reductions in prices. In addition, the Director General has proposed that the prepayment meter surcharge, which reflects the additional amount these customers pay, should not exceed £15 a year (at present it varies by company, and is up to £27 a year). Second-tier electricity suppliers and competitors to British Gas Trading are not subject to price control, because they operate in a competitive market, in which the price-controlled incumbents set the benchmark price; and consumers are free to seek a new supplier if they wish.

Mr. Dobbin: To ask the Secretary of State for Trade and Industry what plans he has to introduce legislation to give utility regulators a duty to protect the interests of low-income consumers. [98491]

Mrs. Liddell: The Government are determined that disadvantaged consumers in the utility sectors should be properly protected, and that they should enjoy a fair share of the reduction in prices resulting from increased competition.

We shall introduce a Utilities Bill in this session, and a requirement to consider the interests of people on low incomes will be an important feature of the regulators' new primary duty to protect the interests of consumers, wherever possible and appropriate, through promoting effective competition.

We also intend, as part of the Bill, to give regulators a duty to have regard to statutory guidance issued by Ministers on social objectives relevant to their particular sector.

Employment Relations Act 1999

Mr. Healey: To ask the Secretary of State for Trade and Industry how long the current allocation to the partnership fund under the Employment Relations Act 1999 is projected to last. [98467]

Mr. Alan Johnson: Up to £5 million is to be made available in a series of calls, over a period of four years. The fund will support projects which either develop partnerships in the workplace or disseminate the benefits of workplace partnership more widely.

Mr. White: To ask the Secretary of State for Trade and Industry when he expects the second commencement order under the Employment Relations Act 1999 to be made; and if the order will include section 18(1–5). [98626]

Mr. Alan Johnson: The second commencement order (S.I. 1999/2830) under the Employment Relations Act 1999 was made on 14 October. It included sections 18(1)-(5). For further details of the provisions covered by both the first and second commencement orders, I refer my hon. Friend to the answer which I gave to my hon. Friend the Member for Bradford, North (Mr. Rooney) on 21 October 1999, *Official Report*, column 613W.

Mr. Healey: To ask the Secretary of State for Trade and Industry when the closing date will be for the second round of bids for resources from the partnership fund established under the Employment Relations Act 1999. [98468]

Mr. Alan Johnson: The timing of the second round has not yet been set but will be decided and announced in the light of the take-up of the first round, which closes on 26 November 1999.

Textile Industry

Mr. Cummings: To ask the Secretary of State for Trade and Industry what measures he is taking to promote the textile industry; and if he will make a statement. [99206]

Mr. Alan Johnson: The Government work closely with the textiles industry on a number of key areas, including trade policy, education and training, exporting and industrial sponsorship.

On the latter, my Department is currently funding over 20 projects targeting specific areas for future development, including product innovation, design, marketing, benchmarking and the development of supply chain partnerships.

In addition, I met with the industry-led Textiles and Clothing Strategy Group in October to discuss their progress on the development of a national strategy for the industry. I am impressed with the positive steps this Group has made and look forward to seeing the outcome of its work.

Military Exports

Mr. Reed: To ask the Secretary of State for Trade and Industry what percentage of visible exports were accounted for by identified military equipment, including aerospace equipment, in each year from 1995 to 1998. [98489]

Mr. Alan Johnson: UK exports of military equipment, as a percentage of exports of goods, were:

	Percentage
1995	1.4
1996	2.0
1997	2.7
1998	2.3

Sources:
UK Defence Statistics, Ministry of Defence
Monthly Review of External Trade Statistics, Office for National Statistics

EU-funded Programmes

Dr. Whitehead: To ask the Secretary of State for Trade and Industry what is the value of EU-funded programmes in *(a)* Southampton, *(b)* Newcastle, *(c)* Hull, *(d)* Sheffield, *(e)* Manchester, *(f)* Rotherham, *(g)* Dover, *(h)* Bristol, *(i)* Bath, *(j)* Sunderland, *(k)* Birmingham and *(l)* Leicester. [98574]

Mr. Caborn: It is not possible to give figures specific to each town, nor for all European funding since UK accession. The following table gives the value of 1994–99 EU-funded programmes available in the areas containing the towns mentioned.

Programme	*Value (£ million)*[1]	*Towns contained*
Objective 3/4	2,691.7	Nationally available
Objective 5a[2]	282.3	Nationally available
NE England Objective 2	494.1	Newcastle and Sunderland
Yorkshire and Humberside Objective 2	536.5	Hull, Sheffield and Rotherham
Manchester/Lancashire/Cheshire Objective 2	539.1	Manchester
West Midlands Objective 2	595.2	Birmingham

[1] £ = 1.534 euro
[2] Objective 5a is a rural programme and therefore unlikely to have funded projects in urban areas

AGRICULTURE, FISHERIES AND FOOD

Flood and Coastal Defence

Mrs. Butler: To ask the Minister of Agriculture, Fisheries and Food what progress has been made in producing high level targets for flood and coastal defence operating authorities. [99380]

Mr. Morley: I am pleased to announce the publication, today, of more comprehensive targets for flood and coastal defence operating authorities and a further elaboration of the Environment Agency's supervisory duty. I am placing a copy in the Library of the House.

The targets are designed to assist in developing a seamless and integrated service of flood forecasting, warning and response as well as a more certain delivery of Government policy towards flood and coastal defence. They follow recommendations, which the Government accepted, in last year's Agriculture Committee report on flood and coastal defence and in the Independent Report on the Easter 1998 floods. The targets take effect from 1 April 2000, building on and developing the interim targets which we published in May.

These targets will, among other things, require flood and costal defence operating authorities to produce policy statements on their plans for achieving the Government's policy aims and objectives; flood and coastal defence assets to be recorded and inspected, and flood and erosion risk assessed, There are targets for the Environment Agency to develop its flood warning service, for emergency exercises to be held, and in relation to development control in areas at risk of flooding or erosion. Three are also targets for taking forward initiatives on Shoreline Management Plans, Water Level Management Plans and Coastal Habitat Management Plans, and for monitoring the impact of flood and coastal defence on habitats covered by Biodiverstiy Action Plans.

These targets, and elaboration of the Environment Agency's supervisory duty, have been developed in full co-operation with the Agency, the Association of

Drainage Authorities and the Local Government Association and in consultation with a wide range of relevant organisations. I have been impressed by the strong support we have had both for the overall approach we have adopted and for the particular measures we are introducing.

The Government attach great importance to these targets. We will be monitoring achievement and keeping them under review. There are significant reporting requirements and I shall ensure Parliament is kept informed of relevant developments.

EDUCATION AND EMPLOYMENT

Schools (West Chelmsford)

Mr. Burns: To ask the Secretary of State for Education and Employment if he will list all primary and secondary schools in the West Chelmsford parliamentary constituency. [98517]

Ms Estelle Morris: The information is as follows:

Maintained primary and secondary schools in West Chelmsford parliamentary constituency

	Address	
Primary		
Kings Road Junior School	Kings Road	Chelmsford
Kings Road Infant School	Dixon Avenue	
Moulsham Junior School	Princes Road	
Moulsham Infant School	Princes Road	
Trinity Road Primary School	Trinity Road	
Great Leighs Primary School	Aragon Road	
Highwood Primary School	Loves Green	
Oaklands Infant School	Vicarage Road	
Mildmay Junior School	Robin Way	
Mildmay Infant and Nursery School	Robin Way	
Perryfields Junior School	Lawn Lane	
Writtle Infant School	Lodge Road	
Perryfields Infant School	Lawn Lane	
Boreham Primary School	Juniper Road	
Lawford Mead Infant and Nursery School	Trent Road	
Lawford Mead Junior School	Trent Road	
Nabbotts Junior school	Forsythia Close	
Nabbotts Infant School	Forsythia Close	
Barnes Farm Junior School	Henniker Gate	
Tyrrells School	Tavistock Road	
Melbourne Park Primary School	Melbourne Avenue	
Westlands Community Primary School	Beeches Close	
Barnes Farm Infant School	Henniker Gate	
Writtle Junior School	Margaretting Road	
Great Waltham Church of England Voluntary Controlled Primary School	South Street	
Ford End Church of England Primary School	Main Road	
Margaretting Church of England Voluntary Controlled Primary School	Pennys Lane	Ingatestone
Roxwell Church of England Voluntary Controlled Primary School	The Street	Chelmsford
Stock Church of England Primary School	Swan Lane	Ingatestone
Little Waltham Church of England Voluntary Aided Primary School	Little Waltham	Chelmsford
St. Pius X Catholic Primary School	Tennyson Road	
The Bishops' Church of England and Roman Catholic Primary School	Beardsley Drive	
Newlands Spring Primary School	Dickens Place	
The Cathedral Church of England Voluntary Aided Primary School, Chelmsford	Victoria Road	
Our Lady Immaculate Catholic Primary School	New London Road	
Broomfield Primary School	School Lane	
Secondary		
Moulsham High School	Brian Close	Chelmsford
St. John Payne Catholic Comprehensive School, Chelmsford	Patching Hall Lane	
Chelmsford County High School for Girls	Broomfield Road	
King Edward VI Grammar School, Chelmsford	Broomfield Road	
The Boswells School	Burnham Road	
Chelmer Valley High School	Court Road	
Rainsford High School	Fox Crescent	
Hylands School	Hatfield Grove	

In addition, there are two maintained nursery schools, two maintained special schools and five independent schools within the West Chelmsford constituency.

Education Initiatives

Mr. Willis: To ask the Secretary of State for Education and Employment if he will list, for contracts concluded by his Department since May 1997 with external consultants and advisers not covered by his answer of 23 July 1999, *Official Report*, columns 691–92W, *(a)* the total number of contracts concluded, *(b)* the number and total value of those contracts that have been awarded following a competitive tendering process, *(c)* the number and total value of those contracts that have been awarded without a competitive tendering process and *(d)* the names of all companies with which contracts not put out to competitive tender have been concluded. [98643]

Ms Estelle Morris: The information could be provided only at disproportionate cost.

Education Funding (Shropshire)

Mr. Peter Bradley: To ask the Secretary of State for Education and Employment what grants have been made by his Department in addition to revenue support grant for each of the years 1997–98, 1998–99 and 1999–2000 to date to *(a)* Telford and Wrekin Council and *(b)* Shropshire County Council. [99058]

Ms Estelle Morris: Details of the grants, in addition to revenue support grant, made available by the Department for Education and Employment in 1997–98, 1998–99 and 1999–2000 to Shropshire County Council and Telford and Wrekin Council are shown in the tables. For the Standards Fund, the figures shown include the grant made by the Department and the contribution made by the local education authority.

Grants made available to Shropshire County Council in 1997–98

£

	Shropshire
Standards Fund	
School Effectiveness	1,255,500
School Improvement Initiatives	50,000
National Curriculum Assessment—Verification KS1	74,300
National Curriculum Assessment—Supply Cover KS1	111,500
Training for KS2 Teacher Assessment	59,500
KS3 Non-core Teacher Assessment	18,600
Primary Teachers' Subject Knowledge	160,700

Grants made available to Shropshire County Council in 1997–98

£

	Shropshire
Special Educational Needs	123,300
Qualifications—GNVQ Provision	95,900
Qualifications—Part One GNVQ Pilot	46,000
Pupil Behaviour and Discipline Centres	54,500
Bilingual Pupils	27,900
Drug Prevention and Schools	44,200
Training for Careers Teachers	36,700
Youth Service	12,700
National Professional Qualification for Headship	41,500
School Security	195,300
Child Protection	26,000
Specialist Schools	115,600
Baseline Assessment	86,500
Primary Performance Tables	5,600
Books for Schools	232,996
New Deal for Schools	
New Deal for Schools	185,000
Total	3,059,796

Grants made available in 1998–99 to Shropshire County Council and Telford and Wrekin Council

£

Grant title	*Shropshire*	*Telford and Wrekin*
Standards Fund		
School Effectiveness	922,707	473,347
School Leadership: NPQH	60,307	29,250
School Leadership: Serving Heads	20,102	9,750
Induction for Newly-Qualified Teachers	32,150	16,493
Early Years Training and Development	80,150	25,025
Reduction of Infant Class Sizes	—	291,000
Baseline Assessment	63,632	32,044
Assessment: Verification KS1	26,194	23,088
Assessment: Supply Cover	69,059	45,732
Training fro KS2 Teacher Assessment	38,516	21,398
Effective use of National Curriculum Results	40,786	19,902
National Literacy Strategy—Primary	303,225	181,723
Summer Literacy Schools	18,000	20,000
Family Literacy	28,000	28,000
Special Educational Needs	122,720	—
Qualifications: GNVQ, AS/A Level, Key Skills etc.	92,141	24,701
Qualifications: Part One GNVQ Pilot	10,000	—
Work Related Learning at KS4	—	50,000
Improving Attendance	—	99,250
Improving Behaviour	—	117,000
Improving Attendance and Behaviour	36,100	—
Behaviour and Discipline Projects	—	54,600
Drug Prevention	40,080	21,098
Youth Service	12,807	5,000
School Security	128,600	65,972
Specialist Schools	116,900	—
National Grid for Learning	672,000	322,792
Books for Schools	152,911	81,739
Children's Parliament	190	110
Year 6 Literacy and Numeracy Booster Classes	94,449	46,980
Numeracy Consultants and Leading Maths Teachers	3,740	1,870
SEN Portable CD-ROM Systems	24,000	24,000
Study Support and School Travel	2,215	—

Grants made available in 1998–99 to Shropshire County Council and Telford and Wrekin Council

£

Grant title	*Shropshire*	*Telford and Wrekin*
Capital Work to reduce class sizes	342,328	320,760
Removal of Outside Toilets	329,725	—
Energy Management	70,693	40,025
New Deal for Schools		
New Deal for Schools	823,348	442,200
Total	4,777,775	2,934,849

Grants made available in 1999–2000 to Shropshire County Council and Telford and Wrekin Council

£

Grant title	*Shropshire*	*Telford and Wrekin*
Standards Fund		
School Improvement	1,450,020	818,988
School Leadership: NPQH	124,794	63,504
School Leadership: Serving Heads	53,483	27,216
Advanced Skill Teachers	58,500	10,500
Early Years Training and Development	81,170	26,010
National Literacy Strategy—Primary	263,470	180,516
Summer Literacy Schools	33,000	33,000
Summer Literacy Schools—Conferences	12,000	9,000
National Numeracy Strategy—Primary	340,265	173,125
Summer Numeracy Schools	20,000	20,000
Family Literacy	28,000	28,000
Lifelong Learning Development Plans	55,880	42,824
Qualifications	88,986	33,951
Work Related Learning at Key Stage 4	0	37,500
Special Educational Needs	218,916	248,152
Social Inclusion: Pupil Support	260,884	255,790
Drug Prevention	40,715	23,879
Youth Service	10,765	6,313
National Grid for Learning	622,035	1,950,000
School Security	135,149	76,335
Specialist Schools	109,040	160,440
Protecting LEA Music Services	110,000	67,000
Ethnic Minority Achievement	—	216,498
Access Fund for Post 16 Pupils in schools	11,566	9,949
Year 6 Booster Classes	308,189	171,420
Asset Management Plans	49,760	25,540
PCs for Chairs of Education	2,000	2,000
Education Action Zones	20,000	20,000
Support for Parent Governor Representatives	1,000	1,000
Working Environment Fund	124,657	68,727
Administrative Support in Small Schools	248,887	73,068
Books for Schools	305,821	163,477
Class Sizes		
Reducing Infant Class Sizes (Revenue)	540,000	468,000
Reducing Infant Class Sizes (Capital)	493,653	110,000
New Deal for Schools		
New Deal for Schools	1,902,287	217,000
Total	8,124,892	5,838,722

Mr. Peter Bradley: To ask the Secretary of State for Education and Employment if he will provide estimates for *(a)* Shropshire County Council, *(b)* Telford and Wrekin Council and *(c)* the Wrekin constituency in respect of the impact of additional Government funding since 1997–98 on the number of (i) additional teachers appointed, (ii) infant school class sizes reduced to 30 pupils or fewer, (iii) children who have benefited from smaller class sizes, (iv) schools which have benefited from new buildings or major repairs and (v) extra books for schools. [99109]

Ms Estelle Morris: The Government have pledged to reduce infant class sizes for all children aged 5, 6 and 7 to 30 or below by September 2001 at the latest. Recent figures show that the number of children in large infant classes has halved since September 1998 from 354,000 (22 per cent.) to 181,000 (11 per cent.) in September 1999 and that over 300,000 children have benefited since January 1998. A total of £620 million has been made available to implement the pledge early in virtually all schools by September 2000.

Table One sets out the information requested by local education authority.

Table One

	Total funding to reduce infant class sizes (£)	*Extra teachers*	*Extra classrooms*	*Children in large classes in September 1998 (%)*	*Children in large classes in September 1999 (%)*
Shropshire	1.3 million	42	10	1,105 (15)	62 (1)
Telford and Wrekin	934,000	45	3	719 (15)	251 (5)

Table Two shows the number of schools benefiting from new buildings and major repairs under the New Deal for Schools. All Shropshire schools have benefited from a risk assessment for asbestos.

Table Two

	Number of schools	*Amount of expenditure supported (£ million)*
Shropshire	158	2.380
The Wrekin	6	0.821

Since 1997–98, Shropshire LEA has received £691,733 for books for all maintained schools and Telford and Wrekin LEA has received £245,217. A further allocation of £128,725 for Shropshire LEA and £63,223 for Telford and Wrekin LEA was made in 1998–99 to support the National Literacy Strategy in primary schools. In total, the allocation for books for schools to the two authorities was enough to buy around 225,780 books.

It should be noted that Telford and Wrekin Council has been in existence as a unitary authority only since April 1998, and that the figures for Shropshire include sums allocated before that date. It is not possible to provide figures for the Wrekin constituency.

Special Educational Needs

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment what guidance he provides regarding inclusion of children with special educational needs in mainstream schools. [98762]

Jacqui Smith: The Code of Practice on the identification and assessment of special educational needs points out that LEAs have a qualified duty to secure that children with special educational needs, including children with statements, are educated in mainstream schools. The Code emphasises that, if parents express a preference for a mainstream school, the LEA must comply with that preference so long as the placement is appropriate to the child's needs, while also being compatible with the interests of other children already in the school and with the efficient use of the LEA's resources. The Code also points out that parents may express a preference for a maintained special school, and that if they do so the LEA no longer has a duty to secure a mainstream education for the child.

Mr. Loughton: To ask the Secretary of State for Education and Employment when he expects to publish his proposals for the education of children with special needs. [98635]

Jacqui Smith: We announced our intention on 17 November to introduce legislation in this Parliamentary session to improve the education of children with special educational needs. The Bill would take forward proposals set out in the document "Meeting Special Educational Needs: A Programme of Action".

Mr. Loughton: To ask the Secretary of State for Education and Employment what measures his Department is taking to raise the profile of the special educational needs of children with autistic disabilities. [98636]

Jacqui Smith: Our SEN Programme of Action highlights the importance of improving provision for all children with special educational needs, including those with autistic spectrum disorders. To support the Programme we virtually doubled, to £35 million, targeted support for SEN under the Standards Fund in 1999–2000 and I recently announced a further substantial increase to £55 million for 2000–01. The Department is also funding Regional Collaboration Projects which are looking at provision for particular special needs, including autism.

We are committed to working with partners in the interests of children with autism. I hosted an Autism in Education Seminar on 21 September this year which brought together interested parties within and outside government to discuss future autism provision in the context of the Programme of Action. Following the seminar, we will be collecting examples of good practice and looking at ways of disseminating them. I was also pleased to speak at the launch of the National Autistic Society's current Autism 99 Internet conference, adding to the messages of support from my right hon. Friends the Prime Minister and the Secretary of State. The conference, which the Department has been helping to publicise, has a practical focus on meeting the needs of children and adults with autism and their families.

New Deal (Young People)

Mr. Loughton: To ask the Secretary of State for Education and Employment how many people completing the New Deal for 18 to 24-year-olds in the West Sussex Coastal Plain Unit of Delivery have secured unsubsidised employment. [98637]

Ms Jowell: The latest statistics to the end of August 1999, show that 238 young people in the West Sussex Coastal Plain Unit of Delivery have left New Deal for unsubsidised employment. Many others will have found work without telling the Employment Service.

Higher Education

Mr. Kenneth Clarke: To ask the Secretary of State for Education and Employment what is the Government's latest estimate of the proportion of young people in England entering higher education at the beginning of the academic year 1999–2000 from *(a)* semi-skilled and *(b)* unskilled family backgrounds and *(c)* from disadvantaged localities; and what were the comparable figures for each of the last three years. [97153]

Mr. Wicks *[pursuant to his reply, 4 November 1999, c. 321–22W]:* I apologise that the figures for 1999 in my original reply related to all students, including mature students, whereas the figures for the years 1996 to 1998 covered students aged under 21. The following is a revised table showing the figures for under-21s in 1999.

Accepted young[1] home domiciled applicants to full-time and sandwich undergraduate courses—United Kingdom

Percentage

Proportion from social class[2]	*Year of entry* 1996	1997	1998	1999[3]
IIIM—Skilled manual	16.4	16.7	16.9	17.0
IV—Partly skilled	7.5	7.6	7.6	7.7
V—Unskilled	1.9	2.0	1.9	2.0

[1] Aged under-21

[2] The classification system used to assign social class to undergraduates is that used in the National Census—the Standard Occupational Classification published by the Office for National Statistics

[3] Accepted applicants as at November 1999

LORD CHANCELLOR'S DEPARTMENT

Litigants (Fees)

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the decision of some county courts to charge fees to litigants for the staying of cases in accordance with the guidance of Sir Michael Scott after Dimond *v.* Lovell. [98544]

Jane Kennedy: If a party makes a formal application to the court to stay a case on the grounds of Dimond *v.* Lovell, a fee will automatically be charged. If the application is granted on the basis of the guidance by Sir Richard Scott, the Vice-Chancellor, the party may ask the court to refund the fee. Only in those cases where the court stays a case of its own motion will a fee not be payable.

Correspondence

Mr. Lidington: To ask the Parliamentary Secretary, Lord Chancellor's Department when he expects the Chief Executive of the Courts Service to respond to the letter of 5 October from the hon. Member for Aylesbury about the case of Ms Lorna August, which was referred to the Chief Executive on 11 October. [98756]

Jane Kennedy: A reply to the hon. Member's letter of 5 October was sent on 18 November. A copy of the transcript of the trial involving the hon. Member's constituents has been placed in the Library of the House.

CABINET OFFICE

Ministerial Responsibilities

Mr. Luff: To ask the Minister for the Cabinet Office for what reasons the list of ministerial responsibilities has not been published since the changes to the Government in the summer; and if she will set a target date for its publication. [98640]

Marjorie Mowlam: An updated list of Ministerial Responsibilities was published last week. It is available on the internet at www.cabinet-office.gov.uk/central/index/lmr.htm, and hard copies are available to Members at the Vote Office.

TREASURY

Amusement Machines

Mr. Peter Bottomley: To ask the Chancellor of the Exchequer if he will estimate (1) the average tax, VAT and AMLD on different types of cash prize machines in *(a)* 1997 and *(b)* 1999; [99164]

(2) the ratios of tax to turnover on *(a)* £6 jackpot machines, *(b)* 2p/10p coin pusher machines and *(c)* higher prize machines in (i) 1997 and (ii) 1999. [99163]

Mr. Timms: The information is not available. The VAT on machines' takings is not recorded separately on VAT returns, and Amusement Machine Licence Duty records do not identify the receipts from specific types of machine.

Mr. Peter Bottomley: To ask the Chancellor of the Exchequer if he will take 2p and 10p stake machines out of licence duty. [99165]

Mr. Timms: The Government keep duty rates under constant review. It would not be prudent to comment on specific Budget measures at this stage. Two penny stake machines are already exempt from duty.

Climate Change Levy

Mrs. Brinton: To ask the Chancellor of the Exchequer for what reasons he intends to exempt kerosene as an industrial fuel from the climate change levy. [98584]

Mr. Timms: I refer my hon. Friend to the answer I gave her on 10 November 1999, *Official Report*, column 644W.

Mrs. Brinton: To ask the Chancellor of the Exchequer if it is his policy that the price differential between liquid petroleum gas and hydrocarbon oils should not be widened to the disadvantage of liquid petroleum gas as a result of the climate change levy. [98585]

Mr. Timms: The price of competing fuels is a commercial matter in which the rates of duty or tax play only one part. The Chancellor has announced his intention to increase rates of duty on fuel oil and gas oil, and this is likely to mitigate incentives to fuel switching after the introduction of the climate change levy.

Mr. Loughton: To ask the Chancellor of the Exchequer what proposals he has for concessionary rates of climate change levy on liquid petroleum gas. [99167]

Mr. Timms: I have no such proposals. Liquid petroleum gas will be subject to climate change levy at the same rate as natural gas.

Mr. Loughton: To ask the Chancellor of the Exchequer on what basis the climate change levy will be revenue neutral for the private sector, as set out in his pre-Budget report. [99170]

Mr. Timms: The climate change levy will be revenue neutral for the private sector because the amount of levy paid by the private sector will be broadly equivalent to the amount private sector businesses gain from the proposed cut in employers National Insurance Contributions and the additional support for energy efficiency measures announced by my right hon. Friend the Chancellor of the Exchequer in his Pre-Budget Report (Cm 4479).

Mr. Loughton: To ask the Chancellor of the Exchequer how the projected two million tonnes of carbon emissions saved as a result of the proposed climate change levy, as set out in his pre-Budget report, is constituted. [99168]

Mr. Timms: The carbon savings projected to arise from the climate change levy are based on estimates produced from the DTI energy model. They arise from reduced energy consumption and from the encouragement of renewable energy sources and combined heat and power systems.

Mr. Loughton: To ask the Chancellor of the Exchequer on what basis he described the proposed climate change levy as revenue neutral between manufacturing and services in his pre-Budget report. [99193]

Mr. Timms: The climate change levy is expected to be broadly revenue neutral between manufacturing and services because, taking into account the 80 per cent. discount for energy intensive sectors that enter into energy efficiency agreements, the amount of levy paid by the manufacturing and service sectors is likely to be broadly equivalent to the amount each gains from the reduction in employers' National Insurance Contributions and the additional support for energy efficiency measures.

Mr. Loughton: To ask the Chancellor of the Exchequer what proposals he has for concessions in respect of the climate change levy for businesses which have invested in energy efficiency measures over the last five years. [99169]

Mr. Timms: The Government welcome the improvements in energy efficiency made by businesses in recent years. All firms that have already made energy saving investments will benefit from lower energy bills—and consequently a lower tax liability—than otherwise would have been the case. And the many firms that have invested in combined heat and power (CHP) plant will benefit from the proposed exemption of electricity generated in CHP plant from the levy.

The Government have also made clear that previous investments in energy efficiency measures will be taken into account in setting future targets for improving energy efficiency under the negotiated agreements with energy intensive sectors.

VAT (Energy Efficiency)

Mrs. Gilroy: To ask the Chancellor of the Exchequer what recent discussions he has had with the European Commission and other European Union member states concerning the introduction of lower rates for VAT on energy-saving materials and installation. [99104]

Mr. Timms: There have been no such discussions within the last year.

Mrs. Gilroy: To ask the Chancellor of the Exchequer what are the Government's projected spending levels over the planning period for *(a)* income subsidies aimed at assisting people with fuel bills and *(b)* investment programmes aimed at improving energy efficiency for the fuel poor. [99112]

Mr. Andrew Smith: Personal subsidies made from the Social Security social fund provide one-off single payments to vulnerable people most likely to be at risk from the cold. There are two separate programmes:

Winter Fuel Payments were increased to £100 for every eligible pensioner household in Budget 99. My right hon. Friend the Chancellor announced in his Pre-Budget Statement earlier this month that this payment would be made every year. The increase in the payment will mean annual expenditure of around £800 million. Almost £3 billion has been committed over the lifetime of this Parliament to provide winter fuel payments.

Cold Weather Payments of £8.50 are made to vulnerable people receiving income support or income-based jobseeker's allowance when the average temperature over a seven day period is recorded as, or forecast to be at or below freezing point in their local area. The total expenditure in any particular year will depend on temperatures.

The Comprehensive Spending Review announced a significant increase in resources for the Home Energy Efficiency Scheme. Spending on this scheme will rise from £75 million in 1999–2000 to £125 million in 2000–01 and £175 million in 2001–02.

A significant number of those suffering fuel poverty live in local authority housing. The Comprehensive Spending Review allocated an additional £3.6 billion for local authority housing capital over the review period. Central government support for local authority housing is planned to almost double over the period 1998–99 to 2001–02, from £1.4 billion to £2.7 billion. Decisions about the composition of their housing capital programmes are for local authorities to determine. On the basis of data collected to monitor the impact of the Capital Receipts Initiative, around one third of capital spending

on local authority housing is likely to be spent directly or indirectly on measures which will improve energy efficiency.

Vending Machines (Euro)

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will estimate the cost of converting UK slot machines and coin handling machines to accept euro currency. [98761]

Miss Melanie Johnson: Should the UK decide to join EMU, conversion costs across the economy would depend on how businesses and other organisations approach the changeover: how effectively they plan ahead and the extent to which changes could be included in routine systems upgrades. That is why the Government published an Outline National Changeover Plan as a planning tool for future preparations. The Automatic Vending Association of Britain is represented on the relevant Treasury groups which are taking work on the Plan forward.

Fuel Duty

Mr. Loughton: To ask the Chancellor of the Exchequer (1) what measures he will take to ensure that ring-fenced revenues from real terms increases in fuel duties can be identified as additional to normal departmental spending on public transport and roads; [99189]

(2) which real terms increases in fuel duty will be ring-fenced in a fund for public transport and road modernisation, as set out in his Pre-Budget Report. [99188]

Mr. Timms: The Chancellor announced in his Pre-Budget Report that the revenues from any real terms increases in road fuel duties will, in future, go straight to a ring-fenced fund for improving public transport and modernising the road network.

Ring-fenced revenues from any real terms increase in fuel duties will be additional to the spending plans set for the Department of the Environment, Transport and the Regions in spending reviews.

Additional ring-fenced spending will be identified as such in future DETR Annual Reports and Expenditure Plans.

Building Society Deposits

Mr. Loughton: To ask the Chancellor of the Exchequer what changes have taken place in total private building society deposits since (i) April 1998 and (ii) April 1999. [R] [99176]

Miss Melanie Johnson: Retail balances held by individuals in building societies were as follows:

	£ billion
April 1998	98
April 1999	102
September 1999	108

Combined Heat and Power Plants

Mr. Loughton: To ask the Chancellor of the Exchequer if he will define good-quality combined heat and power plants, as set out in his pre-Budget report for exemption from the proposed climate change levy. [99192]

Mr. Timms: I would refer the hon. Member to HM Customs & Excise Technical Briefing No.2 which will be placed in the Library later this week.

Pesticides Tax

Mr. Loughton: To ask the Chancellor of the Exchequer what proposals he has for the introduction of a pesticides tax. [99190]

Mr. Timms: On 9 November, the Government published a summary of responses to a consultation on ECOTEC research which looked at the design of a tax or charge scheme for pesticides. The majority of the respondents opposed introduction of such a measure.

The Government are currently exploring with the agrochemical industry whether its objectives can be better achieved through a partnership approach between the Government and the industry.

Capital Gains Tax

Mr. Loughton: To ask the Chancellor of the Exchequer what proposals he has for the simplification of the capital gains tax system for private investors. [R] [99194]

Mr. Timms: I cannot anticipate any changes that my right hon. Friend might wish to make in future Budgets.

Mr. Loughton: To ask the Chancellor of the Exchequer what is the anticipated net loss to the Exchequer from his proposed changes to capital gains tax on treatment of business assets. [R] [99196]

Mr. Timms: As announced in the pre-Budget report, my right hon. Friend is consulting on the detail of a number of possible changes to the capital gains tax treatment of business assets. No costing can be produced until the detail of the measures is settled.

Fuel Poverty

Mrs. Gilroy: To ask the Chancellor of the Exchequer if he will estimate in which year fuel poverty will be eliminated at the present levels of Government expenditure and resource commitment and under current policies; and what plans he has for further steps which could bring this date forward. [99113]

Mr. Andrew Smith: The Minister of State, Department of Trade and Industry, my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) announced on 11 November that she and Lord Whitty will jointly chair an inter-Ministerial group to examine the way ahead on fuel poverty. The group will consider the impact of Government programmes to tackle the causes of fuel poverty, as well as the liberalisation of the energy markets which has substantially reduced the cost of keeping warm. In this way, the group will gain a more accurate picture of the extent of the problem and how quickly it can be addressed.

Savings

Mr. Loughton: To ask the Chancellor of the Exchequer how many new savers there have been since the start of ISAs; and what criteria are used by his Department in calculating the number of new savers. [R] [99175]

Miss Melanie Johnson: I refer the hon. Gentleman to the answer I gave him on 11 November 1999, *Official Report*, column *764*.

Mr. Loughton: To ask the Chancellor of the Exchequer (1) what proposals he is considering for encouraging a greater take-up of ISAs; [R] [99179]

(2) what proposals he is considering for overhauling the current range of ISA accounts available; [R] [99178]

(3) what proposals he has for streamlining the existing forms of PEP investment. [R] [99195]

Miss Melanie Johnson: ISAs have got off to a very promising start. There will be no review of the current rules until ISAs have run for a full year (that is, not before April 2000).

Mr. Loughton: To ask the Chancellor of the Exchequer what representations he has received calling for the simplifying of ISAs. [R] [99177]

Miss Melanie Johnson: We have received a number of representations covering various different aspects of ISAs.

Tobacco Duty

Mr. Loughton: To ask the Chancellor of the Exchequer what assessment he has made of the impact of a 5 per cent. real terms rise in tobacco duty on *(a)* the number of smokers in the United Kingdom and *(b)* the level of cigarette sales per head in the United Kingdom. [99198]

Mr. Timms: I have made no such assessment. Since higher tobacco prices are likely to lead to lower consumption, there is a strong public health case for year-on-year real term increases in the price of cigarettes. My right hon. Friend the Chancellor of the Exchequer has made it clear in his Pre-Budget Report that additional revenue raised from such an increase would go to further investment in the National Health Service.

Tax Credit (Carers)

Mr. Burstow: To ask the Chancellor of the Exchequer if he will estimate the cost and number of beneficiaries of introducing a tax credit scheme for carers and care recipients on the same basis as the working families tax credit. [98459]

Mr. Timms: The estimates requested could be provided only at disproportionate cost.

Firework Safety

Mr. Hancock: To ask the Chancellor of the Exchequer how many fireworks imported into the United Kingdom have been seized by HM Customs as unsafe in each of the last five years; and if he will make a statement. [99295]

Mr. Timms: None. Control over the safety of fireworks imported into the UK and sold to the general public has since 1993 been the responsibility of Local Trading Standards Officers. The Health and Safety Executive authorises general retail fireworks for storage and supply in the UK.

Pensions

Mr. Burstow: To ask the Chancellor of the Exchequer what estimate he has made of the cost of disregarding the basic state pension for the purposes of tax. [98512]

Mr. Timms: It is not possible to provide a reliable estimate for the cost of disregarding the basic state pension for tax purposes, because survey data on personal incomes do not distinguish between basic state pensions and earnings related elements such as SERPS.

Business Taxation (EU Code of Conduct)

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will publish the final report of the EU Code of Conduct (Business Taxation) Group. [98735]

Miss Melanie Johnson: The Code of Conduct states that it is for ECOFIN to decide whether to publish the final report.

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will list the tax measures affecting the UK and Crown dependencies which have been identified as requiring amendment by the EU Code of Conduct (Business Taxation) Group. [98734]

Miss Melanie Johnson: I refer the right hon. Member to the answer my hon. Friend the Paymaster General gave the right hon. Member for Horsham (Mr. Maude) on 13 July 1999, *Official Report*, column 182W.

CULTURE, MEDIA AND SPORT

British Institute for Sport

15. **Mr. Peter Bradley:** To ask the Secretary of State for Culture, Media and Sport what progress has been made on establishing the British Institute for Sport; and if he will make a statement. [98981]

Kate Hoey: We have made significant progress in recent months, with the announcement on 7 October of up to £120 million of Lottery funds for the English element of the UK Sports Institute and the introduction of a number of essential support services for athletes and coaches.

School Sport

16. **Mr. Coaker:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to promote sport in schools. [98982]

Kate Hoey: School sport is vital to the health of UK sport, at all levels, and is an essential component of a rounded education. I am working closely with the schools Minister to deliver a step change in the range and quality of school sport, in terms of both curriculum PE and after-school sports activities including competitive team games.

Digital Broadcasting

17. **Mr. Letwin:** To ask the Secretary of State for Culture, Media and Sport what plans he has to improve public awareness of digital technology. [98983]

Mr. Chris Smith: The Government believe it is important to promote public awareness and understanding of digital broadcasting. They are working closely with industry to establish a public information campaign which will explain simply, clearly and objectively what digital television means for the public and sets out fully the choices available to them.

Museums and Galleries

18. **Mr. Jim Cunningham:** To ask the Secretary of State for Culture, Media and Sport what benefits he expects to secure for the public from the new funding agreement with national museums and galleries. [98984]

Mr. Alan Howarth: Funding agreements place clear responsibilities on our sponsored museums and galleries to deliver against demanding targets guaranteeing high standards of public access, educational activities and management. The Agreements detail the outputs which each of the bodies has agreed to achieve in return for public funding.

Disability Sport

19. **Mrs. Betty Williams:** To ask the Secretary of State for Culture, Media and Sport what plans he has to increase his support for disabled sport. [98985]

Kate Hoey: I am keen to see all sports offering a wide range of opportunities to people with disabilities and we are working closely with the Sports Councils to ensure that this happens.

I was pleased to be able to launch the English Federation for Disability Sport (EFDS) on 19 October, which will provide a united voice for sport for people with disabilities.

National Lottery

20. **Mr. Luff:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to simplify the procedures for small voluntary organisations to apply for grants from Lottery funding bodies. [98986]

Mr. Chris Smith: The Awards for All scheme, which involves Lottery distributors working closely together to provide a one-stop shop, has already made procedures much simpler for community groups seeking grants of up to £5,000. To build on this we are working with distributors to find ways of simplifying the application process generally to ensure that it is user-friendly and that forms are written in plain English. I have also asked the independent Quality, Efficiency and Standards Team which I established to look at the costs associated with making a Lottery application.

26. **Mr. Michael Jabez Foster:** To ask the Secretary of State for Culture, Media and Sport what benefit he expects to secure for the public from the new funding agreement with the Heritage Lottery Fund. [98992]

Mr. Alan Howarth: The Heritage Lottery Fund is not subject to a funding agreement, since it does not receive money voted by Parliament. The Fund's grant-giving activities are controlled through financial and policy directions issued by my right hon. Friend the Secretary of State.

Dr. George Turner: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the operation of the National Lottery Act 1998. [98989]

Mr. Chris Smith: I refer my hon. Friend to the oral answer given earlier today by the Under-Secretary my hon. Friend the Member for Vauxhall (Kate Hoey) to my hon. Friend the Member for Stockport (Ms Coffey), *Official Report*, column 326.

Sport (Educational Establishments)

21. **Mr. Dalyell:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his discussions with the Scottish Executive on Government funding for sport in educational establishments. [98987]

Kate Hoey: No specific discussions of this sort have taken place. However, under the Chairmanship of my right hon. Friend the Secretary of State, I attend meetings of the Sports Cabinet along with representatives of the other Home countries. This forum discusses a wide range of issues related to sport.

Religious Broadcasting

22. **Mr. Swayne:** To ask the Secretary of State for Culture, Media and Sport what plans he has to bring forward measures to reform the law in respect of religious broadcasting. [98988]

24. **Mr. Grieve:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the future of religious broadcasting. [98990]

Mr. Chris Smith: The Government are contemplating new broadcasting and communications legislation, to be introduced early in the next Parliament, to ensure that a suitable regulatory framework is in place in the light of technological and other developments. Current statutory provisions relating to religious broadcasting will be considered in that context.

Green Spaces Initiative

25. **Mrs. Gordon:** To ask the Secretary of State for Culture, Media and Sport if funds from the new opportunity fund's green spaces initiative will be available for playing fields. [98991]

Kate Hoey: Yes. In line with its policy directions the New Opportunities Fund will spend at least 75 per cent. of the £125 million allocated to the Green Spaces and

Sustainable Communities initiative on projects including urban and rural green spaces, children's play, organised and informal sport, playing fields and access to the countryside. As also required by its policy directions the New Opportunities Fund exploring with Sport England ways of collaborating with other initiatives in these areas.

27. **Mr. Watts:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the benefits to children of the green spaces initiative funded by the new opportunities fund. [98993]

Mr. Chris Smith: The emphasis in the initiative on urban and rural green spaces, children's play, organised and informal sport, playing fields and access to the countryside will provide opportunities that will greatly improve the health, happiness and social well-being of children, particularly in areas of multiple deprivation.

Media Regulation and Ownership

28. **Mrs. Virginia Bottomley:** To ask the Secretary of State for Culture, Media and Sport what steps he is taking to promote public confidence in his Department's political impartiality with regard to media regulation and ownership. [98994]

Mr. Chris Smith: Provisions on media ownership and regulation are set out in the Broadcasting Acts 1990 and 1996. The media industry is also subject to general competition law such as merger control under the Fair Trading Act 1973.

Implementation of these provisions is a matter for the relevant independent regulators, not the Government. Political impartiality in broadcast content is provided for by the regulators through a range of mechanisms such as the BBC Charter, licence conditions and programme codes.

Tourism

29. **Mr. Amess:** To ask the Secretary of State for Culture, Media and Sport what steps the Government plan to take to improve the attractiveness to businesses of tourist areas. [98995]

Mr. Chris Smith: The Government are taking a number of steps to ensure that businesses are attracted to tourism areas. My Department's tourism strategy, "Tomorrow's Tourism" outlines many initiatives in, for example, training, improved access, more readily available information. Additionally, we now have the English Tourism Council, a more strategic body which leaves more money free for the support of tourism in the regions. Tourism areas also benefit from other spending such as lottery funding, the Single Regeneration Budget and European Regional Development Budget.

Departmental Asset Sales

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will publish a list of assets sold by his Department and the value realised in each case, in each year from 1991–92 to 1998–99, together with an estimate of the value of asset sales planned in the *(a)* current and *(b)* next financial year. [98646]

Mr. Chris Smith: The National Asset Register for my Department covers the Government Art Collection (GAC), Royal Commission on Historical Manuscripts (RCHM), the Royal Parks Agency (RPA) and the ex-Royal Fine Art Commission (RFAC) (until 31 August 1999) and ex-Historic Royal Palaces Agency (HRPA) (until 31 March 1998), in addition to the Core Department (DCMS). The DCMS Asset register was introduced in March 1999 as a result of the need for improved assets records for the introduction of Resource Accounting and Budgeting. Information on assets sold prior to the introduction of the register may therefore be incomplete. The available information on assets sold is set out in the following table:

Financial Year	*Body*	*Asset*[1]	*Total Value £*
1991–92	RPA	RPA "ground maintenance" was contracted out and the in coming contractor purchased various items of equipment, a breakdown is not readily available	128,750
1992–93	RPA	As above	326,056
1993–94	—	None	Nil
1994–95	—	None	Nil
1995–96	RPA	2 horses	5,300
1995–96	RPA	2 electric trucks	2,500
1996–97	DCMS	House originally providing accommodation for craftsmen working at Windsor Castle	122,500
1996–97	RPA	2 horses	5,400
1997–98	DCMS	Computer equipment	45,000
1997–98	RPA	Radio and telecommunications equipment	2,226
1997–98	HRPA	Tractor	2,500
1998–99	DCMS	2 houses originally providing accommodation for craftsmen working at Windsor Castle	137,500 162,000
1998–99	RPA	Horse	2,800
1999–2000	DCMS	Computer equipment	7,000
1999–2000	RPA	Building	120,000
2000–01	DCMS	Building (6 Burlington Gardens)	Under negotiation
2000–01	DCMS	Computer equipment	Unknown

[1] A materiality minimum of £2,000 has been applied per item.

Elgin Marbles

Mr. Loughton: To ask the Secretary of State for Culture, Media and Sport what representations he has received from *(a)* Greece and *(b)* academic institutions in the UK regarding the Elgin Marbles. [99174]

Mr. Chris Smith: In the last 12 months, the Department has received 70 representations on this subject originating from Greece, and representations from individuals in five academic institutions in the UK. This includes e-mails where we have been able to identify the source.

Tate Modern (Admission Charges)

Mr. Loughton: To ask the Secretary of State for Culture, Media and Sport what discussions he has held with the Tate Gallery regarding the introduction of admission charges at its new London gallery. [99171]

Mr. Chris Smith: There have been no discussions relating to admission charges at Tate Modern.

Written Answers to Questions

Tuesday 23 November 1999

HOUSE OF COMMONS

Grand Committee Room

Mr. Gardiner: To ask the Chairman of the Accommodation and Works Committee if he will break down the total costs of refurbishing the Grand Committee Room into those costs which would have been incurred anyway as part of the planned programme of refurbishment, and those which arise specifically from the use of the Grand Committee Room for Westminster Hall sittings. [98551]

Sir Sydney Chapman: The total cost of £882,000 for the refurbishment of the Grand Committee Room includes within it £670,000 (at current prices) which had already been included in the 10 year rolling programme for Parliamentary works over the period 2002–06 prior to the House approving the Report from the Modernisation Committee which recommended using the room for Westminster Hall Sittings.

This latter amount covers works such as building services, replacement of fan coils, internal stone cleaning, cabling for the Parliamentary Data and Video Network, automatic fire detection and rewiring.

DEFENCE

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Defence how much his Department has spent on civil servants transport in each of the last two years. [98721]

Mr. Kilfoyle: This information is not held centrally and could be provided only at disproportionate cost.

Aircraft Carriers

Mr. Savidge: To ask the Secretary of State for Defence what progress has been made in his Department's plans to procure two new aircraft carriers. [99741]

Mr. Kilfoyle: I am pleased to be able to announce that competitive contracts were placed today with British Aerospace Land and Sea Systems Ltd. and Thomson-CSF NCS France for the Assessment Phase of the Future Aircraft Carrier (CVF) project.

The two contracts, each potentially worth £29.4 million VAT inclusive, consist of two phases. The first phase of each contract, worth £5.9 million, will involve work to examine a variety of aircraft carrier design options. This phase will also help inform the choice of the type of Future Carrier Borne Aircraft (FCBA). The second phase, worth a further £23.5 million, will involve risk reduction on the preferred carrier design option when the decision on the selection of FCBA has been taken. Progression to this second phase will be subject to BAe and Thomson-CSF satisfactorily completing the first package of work. The Assessment Phase will complete in 2003 when bids for the Demonstration and Manufacture Phase of CVF will be delivered. The two carriers are scheduled to enter service in 2012 and 2015.

The new carriers will form a key element of the modern force structure that emerged from SDR. They will be particularly relevant to the foreign and security policy demands of the next century and will ensure the UK retains one of the most powerful and effective navies in the world.

C-130 J Transport Aircraft

Ms Squire: To ask the Secretary of State for Defence when the C-130 J transport aircraft will enter service. [99740]

Mr. Kilfoyle: The first C-130 J transport aircraft was delivered to RAF Lyneham today. Initially the aircraft will be used for maintenance training and groundcrew familiarisation only. The In-Service Date is defined as delivery of the twelfth aircraft, currently estimated to be in May 2000.

Anti-air Warfare Destroyer

Mr. Savidge: To ask the Secretary of State for Defence what arrangements are planned for appointing the prime contractor for the Type 45 Anti-air Warfare Destroyer. [99742]

Mr. Kilfoyle: Our plans for the T45 Destroyer programme build on the work accomplished in the design definition phase of the tri-national Horizon frigate project and continuity of the UK contractor is an essential element for this. Marconi Electronic Systems has therefore been contracted to complete the next phase of the work on the T45 Destroyer. Under Smart Procurement principles this is known as the Preparation for Demonstration (PFD) phase and, subject to satisfactory progress, this will lead into the Demonstration and First of Class Manufacture phase.

CHURCH COMMISSIONERS

Graves

Mr. Mackinlay: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what conditions pertaining to relatives' access to graves are required as a condition when Church lands are sold. [98999]

Mr. Stuart Bell: In order to secure a suitable alternative use for a redundant church, some churchyard land may be included in the disposal. Where such land contains burials, continued public access is normally reserved for the tending of graves. If necessary, rights of way can also be granted or reserved.

St. John's Church, Whitby

Mr. Quinn: To ask the hon. Member for Middlesbrough, representing the Church Commissioners,

what representations he has received concerning St. John's Church within the Parish of Whitby; and if he will make a statement. [99003]

Mr. Stuart Bell: Following publication of a draft Scheme to declare the church redundant the Commissioners received nine representations in favour of closure and four against, including a petition. After careful consideration, the Commissioners' Pastoral Committee, acting in its quasi-judicial role, concluded that the church was pastorally required and upheld the representations against the draft scheme.

Liquid and Fixed Assets

Mr. Stephen O'Brien: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what proportion of Church of England liquid and fixed assets is represented by those held under freehold by the incumbent clerks in holy orders. [99004]

Mr. Stuart Bell: Parsonages represent about 15 per cent. of the Church's total assets. About 60 per cent. of parsonages are legally held under freehold by incumbent clergy. However, any holding by an incumbent is in a corporate capacity and so is not analogous to freehold ownership in the traditionally understood sense.

Parish churches also normally vest in the incumbent but are not valued in terms of disposal value as they are not usually realisable.

Clergy (Employment Contracts)

Mr. Ben Chapman: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what representations he has received concerning the issuing of formal employment contracts for the clergy. [99005]

Mr. Stuart Bell: No representations have been received to date. However staff of the Archbishops Council will be meeting with the representatives of the MSF union in the near future to discuss questions arising from the Employment Relations Act 1999.

Bishops

Mr. Baker: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, to what extent the Commissioners take into account extra income earned by bishops *(a)* from giving lectures and *(b)* from other sources in determining their remuneration. [99118]

Mr. Stuart Bell: Bishops are advised that if they take on further, paid commitments, and that work involves time which would otherwise be used for episcopal responsibilities, they should inform the Commissioners of the gross annual amount. An equivalent sum can then be deducted from their stipend. This is on the same basis as the rules for other clergy.

Mr. Baker: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will list the expenses claimed by each bishop for the last year for which figures are available. [99117]

Mr. Stuart Bell: The Commissioners' current policy is not to make public the expenditure on individual bishops' working costs. The overall expenditure under this heading in 1998 was £8.8 million. Of this £5.1 million was spent on staff salaries, pensions and fees; £3.3 million on other working costs; and £0.4 million on costs connected with last year's Lambeth Conference.

This expenditure is the necessary costs of supporting the bishops' ministry: principally the salaries and pensions of their staff, the costs of running an office, of official travel, of hospitality, and other miscellaneous costs. All this expenditure is subject to detailed and continuous audit to ensure that it is incurred in line with the Inland Revenue's requirement that it be "wholly, exclusively and necessarily" incurred in the performance of a bishop's duties.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Regional Development Agencies

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what obligations the Regional Development Agencies are under to act in accordance with the commitments made in their *(a)* published strategies, *(b)* action plans and *(c)* corporate plans. [98527]

Ms Beverley Hughes: Section 7 (1)(b) of the Regional Development Agencies Act 1998 requires the RDAs to have regard to their regional strategies and action plans in exercising its functions. The agencies will submit their corporate plan proposals to the Government, and the Government will give a response. Following that, performance will be monitored against the plan.

Recycling

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions (1) what his targets are for the amount of waste recycled in each of the next five years from *(a)* residential homes and *(b)* businesses; [99200]

(2) if he has revised the domestic recycling targets for 2000. [99199]

Mr. Mullin: In the draft waste strategy "A Way with Waste", published on 30 June 1999, we have set a goal of recycling or composting 30 per cent. of household waste by 2010. We will aim to meet the existing target of recycling or composting 25 per cent. of household waste by 2005. By 2015 we expect to recover value from two thirds of our household waste, with at least half of this through recycling or composting.

The draft waste strategy also set a target for businesses to reduce the amount of industrial and commercial waste landfilled to 85 per cent. of 1998 levels by 2005.

Frankley Parish Council

Mr. Burden: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to make an announcement on the proposed parish council for Frankley in Birmingham. [98821]

Ms Beverley Hughes: We are currently consulting Birmingham City Council and other interested parties on a draft of an Order that would create a parish council for Frankley. Subject to this consultation, the intention is to

make the Order before the end of 1999 with the view to the first elections for the new parish council being held in May 2000.

Haulage Firms

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what representations have been made on behalf of the Government to the Government of the Republic of Ireland concerning *(a)* their policies towards UK haulage firms seeking to flag out their vehicles by registering them in the Irish Republic and *(b)* the enforcement of their policies; and if he will make a statement. [99108]

Mr. Hill *[holding answer 22 November 1999]:* It is for the Irish authorities to apply and enforce their legislation on vehicle registration. We have made no representations about the way they do so. However, there are concerns that some UK hauliers who have re-registered vehicles in the Irish Republic may not be fully satisfying the requirements of either UK or Irish law, and this has been the subject of discussions with the Irish authorities.

Vehicle Charges

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions which local authorities will pursue pilot schemes for *(a)* congestion charging and *(b)* work place car parking charges. [99316]

Mr. Hill: Twenty-seven local authorities, either individually or in groups, have, in their provisional Local Transport Plans, expressed interest in making use of the proposed road user charging or workplace parking levy powers. My noble Friend the Minister for Transport has written to them asking for confirmation of their interest. Following receipt of confirmation, we expect to announce their names next month.

Transport Bill

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions when he plans to introduce the Transport Bill. [99314]

Mr. Hill: We are anxious to make progress with this important legislation and hope to introduce the Bill shortly.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if the Transport Bill will contain proposals to remove the Safety and Standards Department from Railtrack. [99315]

Mr. Hill: We have announced that we are minded to transfer the main functions of Railtrack's Safety and Standards Directorate out of Railtrack. My Department is currently considering where the best home or homes for those functions are. If legislation is necessary to secure such a transfer we are prepared to introduce proposals in the Transport Bill.

Rural England (Consultation)

Ms Southworth: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for the publication of the responses to the consultation on Rural England. [99579]

Mr. Meacher: I shall be publishing a summary of the response to "Rural England—A Discussion Document" today. The report "Rural England: Summary of Responses" can be found on the Department of the Environment, Transport and the Regions' website and will be available from my Department on request. Paper copies will be placed in the Library.

Night Flights

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions if he has reached conclusions on the options for changes to the preferential use of Heathrow's runways at night; and if he will make a statement. [99589]

Mr. Mullin: On 17 November 1998, the Department of the Environment, Transport and the Regions issued the second of two consultation papers on night restrictions at Heathrow, Gatwick and Stansted airports. It was in two parts. Part 1 was concerned with the night restrictions regime for the three airports, and on 10 June 1999, *Official Report*, columns 378–80W, the then Minister for Transport in London, my hon. Friend the Member for Hampstead and Highgate (Ms Jackson), announced the new arrangements which came into effect on 31 October 1999. Part 2 examined options for changes to the preferential use of Heathrow's runways at night. The decisions I am announcing today are concerned with Part 2 of the consultation paper only.

The current pattern of use of Heathrow's runways has remained unchanged since the 1970s and is largely determined by three operational noise mitigation measures. The first and oldest is the Cranford Agreement, an undertaking given to local residents at a public meeting in July 1952 to avoid easterly take-offs from the northern runway during off-peak periods as far as practicable. Over the years it has come to be applied most of the time during easterly operations, so that easterly take-offs use the northern runway only exceptionally. It is possible that the long-standing preference for landing aircraft on the southern runway at night during westerly operations is also a legacy of that Agreement.

The second measure is westerly preference, which was introduced in 1962. This provides for westerly operations to continue where there is a light tail-wind up to 5 knots. While it is normal for aircraft to land and take off into the wind, it is safe to do so with a light tail-wind when the runway is dry and any cross-wind does not exceed 12 knots. The purpose of the westerly preference is to reduce the number of occasions that departing aircraft need to take off over the more densely populated areas to the east of the airport where it is not possible to design noise preferential departure routes which avoid heavily populated areas.

The third measure is runway alternation, which was introduced in 1972. It applies during westerly operations only. Westerly landings use one runway from 7.00 a.m. until 3.00 p.m. and switch to the other runway from 3.00 p.m. until 11.00 p.m. The pattern is reversed each week to achieve a fairer balance. Its purpose it to provide communities east of the airport under the final approach tracks with predictable periods of relief from the noise of landing aircraft. While runway alternation applies to landing aircraft only, it is generally the case that one runway is used for landings and the other for take-offs,

but take-offs are not precluded from using the runway assigned for landings. Runway alternation was confined to daytime operations to allow opportunities for maintenance of the runways and associated equipment at night. It was confined to westerly operations in order to continue observance of the Cranford Agreement.

In response to requests from local communities seeking a fairer distribution of aircraft noise at night, the Heathrow Airport Consultative Committee (HACC) and BAA plc, with approval from the then Department of Transport, undertook two trials of runway alternation at night for both westerly and easterly operations in 1996 and 1997. Independent surveys carried out for the HACC to assess local reaction to the trials showed there was a clear level of support in the vicinity of the airport for extending runway alternation into the night period. It was decided to consult more widely before reaching a final decision.

9,522 copies of the November 1998 consultation paper were issued and 2,803 responses commenting on Part 2 (32 per cent. of the total) were received by the closing date. These included responses from the HACC, 2,649 individuals, 43 local authorities, councillors and local authority organisations, seven Members of Parliament, 63 environmental and local interest groups, and 24 representing airlines, airport and aviation interests. Most respondents were concerned to have the least possible number of night flights overflying their particular areas or asked for a ban on such flights. Most also expressed a general view, either supporting or opposing runway alternation at night or modifying the directional preference. Comparatively few commented on the 10 options outlined in the consultation paper itself. Nine respondents called for the termination of the Cranford Agreement and eight called for its continued operation. However, the Agreement was not among the issues examined in the consultation paper.

843 respondents supported the extension of runway alternation into the night period, including most local authorities, the HACC and aviation industry respondents. The widely held view was that runway alternation at night would be fairer and provide for more predictable periods of relief from the noise of landing aircraft. 51 respondents disagreed because they wished to retain the current arrangements or anticipated that runway alternation at night would lead to an increase in aircraft noise over their area. 86 of the 843 respondents who support runway alternation at night (mainly residents and representative bodies) called for it to apply throughout the night until 7.00 a.m., while 29 of the 843 (mainly aviation interests) said it should operate until 6.00 a.m. to avoid increasing delays to arriving aircraft. BAA consider that it might be possible for runway alternation to operate throughout the night if the scheme allowed greater discretion to land aircraft on the second runway between 6.00 a.m. and 7.00 a.m., interspersed with take-offs, to reduce the likelihood of arrival delays accumulating through the morning peak period.

In view of the clear support for extending runway alternation to the night period, which is consistent with the findings of the earlier HACC surveys, we have decided to open discussions with BAA on its introduction at the earliest practicable opportunity between 11.00 p.m. and 6.00 a.m. As with daytime alternation, it will be necessary from time to time for the pattern of alternation to be interrupted to allow for maintenance of the runways and engineering works.

There are real practical difficulties with extending runway alternation to the hour from 6.00 a.m. to 7.00 a.m. There are usually take-offs scheduled in this hour, so during easterly operations runway alternation is precluded by the Cranford Agreement. It is already established practice during this hour to make use of both runways for landings, interspersed with take-offs, to ensure that there are as few aircraft as possible holding in the stacks awaiting permission to land before daytime runway alternation starts at 7.00 a.m. BAA, NATS and the airlines are concerned that having only one runway available for landings during this hour may lead to a build up of holding delays before daytime runway alternation starts at 7.00 a.m. which could not be cleared until the afternoon. Such delays could also have knock-on effects beyond UK airspace. We are satisfied that there is a genuine cause for concern here, but it has not been possible to forecast with confidence either the frequency or extent of the delays that might occur. On the other hand, runway alternation during this hour would bring real benefits to people living under the final approach tracks.

We have decided that the only prudent way forward is to undertake a trial of runway alternation during the 6.00 a.m. to 7.00 a.m. hour. The details of the trial will be discussed with BAA, HACC and NATS, but will allow NATS the discretion to make use of the second runway for landings whenever arrival delays building up in the system are expected to give rise to holding delays of a given duration. It is likely that different criteria will need to be examined in order to reach a view on what is practicable. Weather conditions, both locally and encountered en route by long haul aircraft, can contribute to the build-up of arrival delays. For this reason the trial will need to look at the winter and summer seasons and may continue for up to two years.

The responses to the consultation paper on the options for modifying the directional preference at night do not provide a sound basis for reaching a final decision at this stage. Strong views were expressed east and west of the airport, and many respondents called for a complete ban on night flights rather than changes to the direction in which the runways were used. However, there was also a recognition among many of the organisations and representative bodies that the present arrangements are not fair and equitable and could be improved; that view is shared by the Government. We also consider that it makes no sense from a noise amelioration standpoint to increase artificially the number of occasions when early morning arrivals overfly the more heavily populated areas of London by maintaining the 5 knot westerly preference at times when there are few or no take-offs.

We have decided not to take forward the options set out in the consultation paper, which would have precluded the introduction of runway alternation at night during easterly operations, and which would have concentrated arrivals noise in areas under the approach track to the southern runway during easterly operations. While these options offered the greatest potential for improvement over the present position in terms of the numbers of

people affected, the outcome would not have been fair and equitable. For the same reason we have decided not to take forward the 5 knot easterly preference option, except as part of Proposal B below. Therefore, we will be inviting comments on two proposals. These are:

(a) to suspend westerly preference at night after the last departure (including any delayed departures) until the first departure the next morning, but not later than 6.00 a.m.; this is expected to result in approximately 64 per cent. westerly operations and 36 per cent. easterly operations over the longer term;

(b) for the same period of the night, to put in place a fixed weekly rotation between westerly and easterly operations by applying a 5 knot preference, subject to overriding weather conditions; this is expected to result in approximately 53 per cent. westerly operations and 47 per cent. easterly operations over the longer term.

The Government are ready to proceed with either proposal. Full details will be set out in a DETR consultation paper to be issued today. A copy will be placed in the Library of the House. This further consultation will allow respondents to take into account the Government's decision on 10 June 1999 not to ban night flights.

Sensitive Species

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the decisions reached at the Sixth Conference of the Parties to the Bonn Convention on 10 to 16 November in respect of sensitive species, with particular reference to dolphins, turtles and albatross. [99590]

Mr. Mullin: The key issues included agreement on the Convention's Strategic Plan for 2000–05 and the adoption of a budget for 2001–02. The Budget sets aside funds to enhance the work of the Convention's Scientific Council and for specific scientific projects which will help protect some of the most endangered and threatened migratory species.

I am delighted to say that the Conference adopted a Resolution, submitted by the United Kingdom, addressing the problem of by-catch of migratory species, particularly from longline fishing. The Resolution requires all Parties, as a matter of gravity, to strengthen the measures to minimise the incidental mortality of migratory species in fisheries under their control. The Resolution specifically refers to the threats which turtles, seabirds and dolphins face from fisheries by-catch. As well as action by sovereign states, the Resolution also seeks co-operation with the Convention on Biological Diversity and the Food and Agriculture Organisation of the United Nations to protect these endangered species.

The United Kingdom also announced our intention to sign and ratify the Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea and Contiguous Atlantic Area on behalf of Gibraltar.

The Conference also agreed, with UK and EU support, a number of initiatives on the protection and conservation of the houbara and great bustards, marine turtles in the Atlantic Coast of Africa and the Indian Ocean, Sahelo-saharan antelopes and elephants in Central and West Africa. A Resolution was also adopted supporting the development and conclusion, as soon as possible, of an Agreement for the conservation of Southern Hemisphere albatrosses, which face several threats, including pollution, disease and the effects of climate change, as well as by-catch.

CULTURE, MEDIA AND SPORT

BBC

Mr. Baker: To ask the Secretary of State for Culture, Media and Sport if he will make it his policy to introduce an independent complaints procedure in respect of the BBC. [99134]

Janet Anderson: The BBC's Royal Charter requires the Board of Governors to ensure that any complaints are properly handled by the Corporation. The Charter also requires the BBC to publish an account of the subject matter and handling of complaints from its audiences indicating the proportion which were upheld. The BBC publishes such an account quarterly. We have no plans at present to change the current arrangements.

NORTHERN IRELAND

Secretary of State (Security Cost)

Mr. Maclean: To ask the Secretary of State for Northern Ireland (1) what is the estimated total cost to the Government of the security enhancements to his London home; [99258]

(2) what is the estimated total cost to the Government of security blinds and curtains for his London home. [99259]

Mr. Straw: I have been asked to reply.

It is not in the public interest to disclose information that could compromise the security arrangements relating to public figures.

INTERNATIONAL DEVELOPMENT

Malawi

Mr. Nigel Jones: To ask the Secretary of State for International Development if she will make a statement on her Department's assistance to Malawi. [98613]

Clare Short: In September 1998 I placed a copy of our Country Strategy Paper in the Library of the House. This sets out our plans to promote poverty reduction, equity and human rights in Malawi. We are supporting the Malawi Government's commitment to poverty reduction with a rising programme, focused particularly on promoting more effective government, better access to health and education, secure livelihoods, and human rights, for poor people.

Mr. Nigel Jones: To ask the Secretary of State for International Development what assistance she is giving to Malawi to tackle the problem of HIV/Aids. [98614]

Clare Short: I have just approved a £35 million contribution for Sexual and Reproductive Health in Malawi. This will help the government to implement its HIV/AIDS Strategic Plan, which President Muluzi launched on 29 October. Funds will be used to promote behaviour change, to supply condoms and medicines for sexually transmitted infections and to train health workers. This complements £26 million of other projects dealing with sexual health issues, TB and safe motherhood. HIV prevention and mitigation measures are being incorporated in other Department for International Development programmes.

Mozambique

Mr. Nigel Jones: To ask the Secretary of State for International Development if she will make a statement on her Department's assistance to Mozambique. [98611]

Clare Short: In October 1998 I placed a copy of our Country Strategy Paper for Mozambique in the Library of the House. This describes how we will increase our programme to support the Government of Mozambique's strong commitment to reduce poverty. We are expanding our support for economic and financial management, rural livelihoods, and health and education. We are strong supporters of Highly Indebted Poor Countries (HIPC) debt relief for Mozambique.

WTO Seattle Round

Dr. Tonge: To ask the Secretary of State for International Development what discussions she has held with the Secretary of State for Trade and Industry concerning the forthcoming WTO Seattle Round. [99238]

Clare Short: The UK position with regard to the next WTO Trade Round was and will continue to be carefully co-ordinated between all relevant Government Departments. I regularly meet with my right hon. Friend the Secretary of State for Trade and Industry and other Ministerial colleagues, both formally and informally, to discuss trade matters. On 10 November I chaired the fifth meeting of the Inter Departmental Working Group on Development, which a number of colleagues attended. The agenda included preparations for the WTO Ministerial Meeting. I will be speaking at a public Symposium in Seattle prior to the Ministerial Meeting, and will be in regular contact with my right hon. Friends the Secretary of State for Trade and Industry and the Minister for the Environment while we are in Seattle.

Armenia-Colombia

Dr. Tonge: To ask the Secretary of State for International Development what progress has been made with the reconstruction of Armenia-Colombia since the January earthquake. [99255]

Clare Short: There have been considerable efforts to assist the reconstruction of Armenia and the surrounding area, but in the wake of such devastation it will be a long process. The Inter American Development Bank, following a request from the Government of Colombia, redirected the balances of four of its on-going projects totalling $93 million to deal with emergency reconstruction. Initial UK emergency assistance of $1 million was distributed through humanitarian agencies, and assistance has been provided through the Small Grants Scheme for members of the Devon Fire and Rescue Service to work to improve the capabilities of their counterparts in Armenia. The embassy has also raised funding for a school rebuilding initiative.

Kenya

Dr. Tonge: To ask the Secretary of State for International Development if she will list the projects her Department supports which focus on conflict prevention in Kenya. [99236]

Clare Short: My Department supports the projects listed in the following table:

Title/value	*Purpose*
Wajir Pastoral Development project £1.00 million	Improved livelihood security among pastoralists in Wajir District. Including conflict prevention and resolution component
National Council of Churches of Kenya Peace-building project £0.05 million	Research, advocacy and networking for ethnic conflict prevention and resolution
Support to Members of Parliament in Pastoral Parliamentary Group £0.014 million	Strategic planning workshop to develop advocacy work on pastoral conflict issues

We are currently designing an additional programme of support for conflict prevention and resolution work among pastoral communities in northern Kenya.

East Timor

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on the conditions of East Timorese living in militia-controlled West Timor refugee camps. [99246]

Clare Short: Of the estimated 250,000 who left East Timor after the consultation on independence, only 75,000 have been repatriated. The refugees' return home continues to be hampered by the presence of militia who intimidate, physically harass and exact payment from refugees in camps and at border crossing points.

The UK has pressed the Indonesian government to ensure that the refugees are allowed to return home. My Department has committed £5.5 million for immediate humanitarian assistance for Timor, of which over £700,000 has been allocated to the International Organisation for Migration to facilitate refugee return.

India

Dr. Tonge: To ask the Secretary of State for International Development what plans she has to support long-term agricultural projects in the Orissa region of India. [99235]

Clare Short: Our Country Strategy for India identifies Orissa, which is one of the poorest states in India, as one of the four states in which DFID's activities will be focused.

The £8 million Eastern India Rainfed Farming project has been working since 1995 in three states, including Orissa, to pilot new approaches to rural poverty including improved farming systems.

In July 1999, DFID agreed with the Government of India to provide £32.75 million over ten years for the new Western Orissa Rural Livelihoods Project. This initiative builds on lessons learned from the Eastern India Rainfed Farming project and works within the Government of Orissa's watershed development programmes in four very poor districts. The project has a strong agricultural component and will address issues of increased agricultural production and improved food security, through a comprehensive natural resource strategy. This strategy also includes a focus on soil and water conservation, livestock, fisheries, fodder and forestry.

The cyclone which hit the west coast of Orissa on 29 October has caused extensive damage to coastal regions, including agricultural land and crops. We are considering how we can best help the government to minimise the long-term impact of the cyclone and continue efforts to eliminate poverty in the state. It is currently too early to know whether or not this will include support for agricultural projects.

Ethical Trading Initiative

Dr. Tonge: To ask the Secretary of State for International Development what progress has been made with the Ethical Trading Initiative; and how many companies have joined the initiative. [99248]

Clare Short: Considerable progress has been made by the Ethical Trading Initiative (ETI) over the last year. With the help of Department for International Development (DFID) funding, a Secretariat has been established and is fully staffed. Board and members meet regularly and a Base Code of ethical trading practice has been debated and agreed. Progress is being made on four pilot projects—in the garment industry in China; horticulture in Zimbabwe; wine production in South Africa; and the banana industry in Costa Rica. With the appointment of a new information officer, information and media services are being established. A Conference was held in December 1998 and another is planned for early in 2000.

In addition to its trade union and non-governmental organisation membership, ETI now has 16 company members and is dealing with a growing number of inquiries from interested organisations. The list of existing company members is as follows.

Anchor Seafoods Ltd.

ASDA

CWS (the Co-op)

J. Sainsbury Ltd.

Lambert Howarth Global

Levi Strauss

Littlewoods

Marks and Spencer

Monsoon

Premier Brands

Pentland Group

Safeway

Somerfields Stores Ltd.

Tesco

The Body Shop

The Tea Sourcing Company.

Honduras

Dr. Tonge: To ask the Secretary of State for International Development what progress has been made with the reconstruction of Honduras since Hurricane Mitch. [99256]

Clare Short: In the aftermath of Hurricane Mitch, the international community responded with wide ranging emergency assistance and pledges of further funds for the reconstruction of Honduras.

In the year since the hurricane many emergency projects have been completed, especially housing, roads and bridges and the establishment of health centres. These have provided essential assistance to those who suffered as a result of the effects of the hurricane. The UK's contribution included a rural roads and bridges programme, and a cash for work incentive targeting particularly neglected municipalities.

Since the Stockholm Donors' meeting in May this year, donor countries and multilateral organisations have pledged approximately $9 billion medium term assistance and projects are beginning to get under way.

HOME DEPARTMENT

Electoral Register

Mr. Gibb: To ask the Secretary of State for the Home Department if he will make a statement on his proposals for the electoral register. [98621]

Mr. Mike O'Brien: The Representation of the People Bill, which was published last Friday, includes a number of provisions relating to the electoral register.

The Bill will introduce a system of "rolling" electoral registration which will enable people to change their electoral registration details in-year rather than making registration dependent on a single annual qualifying date.

The Bill's provisions will also make it easier for remand prisoners, mental patients, the homeless and service voters to register.

The Bill also provides a power to make regulations limiting access to the full electoral register.

Asylum Applications

Dr. Lynne Jones: To ask the Secretary of State for the Home Department how many new asylum applications were received in each year since 1990; for each year what proportion were port applications; what proportion came from *(a)* former Yugoslavia, *(b)* Somalia, *(c)* Sri Lanka, *(d)* former USSR and *(e)* Afghanistan; and from which country the most applicants arrive. [98682]

Mrs. Roche: For 1990–98, the available information is given in the tables. Information on the number of asylum applications received in 1999 can be found on the Home Office internet site at http://www.homeoffice.gov.uk/rds/index.htm.

Applications [1] received for asylum in the United Kingdom, excluding dependents, 1990 to 1998. Top asylum producing countries

Year	Nationality	Number	Percentage of total
1990	Sri Lanka	3,330	13
1991	Zaire	7,010	16
1992	Former Yugoslavia	5,635	23
1993	Sri Lanka	1,965	9
1994	Nigeria	4,340	13
1995	Nigeria	5,825	13
1996	Nigeria	2,900	10
1997	Somalia	2,730	8
1998	Former Yugoslavia	7,980	17

[1] Figures rounded to the nearest 5

Applications [1] received for asylum in the United Kingdom, excluding dependants, by nationality and location where made, 1990 to 1998

1990 — *Number of principal applicants*

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	*	0	15	0	15	0
Somalia	1,440	16	810	5	2,250	9
Sri Lanka	2,340	26	990	6	3,330	13
Former USSR	*	0	100	1	100	0
Afghanistan	n/a	n/a	n/a	n/a	n/a	n/a
Total for the year	9,005	34	17,200	66	26,205	100

1991

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	80	1	240	1	320	1
Somalia	910	10	1,085	3	1,995	4
Sri Lanka	2,630	29	1,130	3	3,765	8
Former USSR	30	0	210	1	245	1
Afghanistan	n/a	n/a	n/a	n/a	n/a	n/a
Total for the year	9,030	20	35,815	80	44,840	100

1992

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	2,180	28	3,455	20	5,635	23
Somalia	890	12	685	4	1,575	6
Sri Lanka	1,205	16	880	5	2,085	8
Former USSR	25	0	245	1	270	1
Afghanistan	225	3	40	0	270	1
Total for the year	7,675	31	16,930	69	24,605	100

1993

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	260	4	1,565	10	1,830	8
Somalia	675	9	785	5	1,465	7
Sri Lanka	1,050	14	915	6	1,965	9
Former USSR	45	1	340	2	385	2
Afghanistan	265	4	50	0	315	1
Total for the year	7,320	33	15,050	67	22,370	100

1994

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	310	3	1,075	5	1,385	4
Somalia	785	8	1,055	5	1,840	6
Sri Lanka	1,270	12	1,080	5	2,350	7
Former USSR	50	0	540	2	595	2
Afghanistan	250	2	75	0	325	1
Total for the year	10,230	31	22,600	69	32,830	100

1995

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	360	2	1,205	4	1,565	4
Somalia	1,040	7	2,425	8	3,465	8
Sri Lanka	1,075	7	995	3	2,070	5
Former USSR	120	1	675	2	795	2
Afghanistan	465	3	120	0	580	1
Total for the year	14,410	33	29,555	67	43,965	100

1996

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	360	3	670	4	1,030	3
Somalia	675	5	1,105	6	1,780	6
Sri Lanka	830	7	505	3	1,340	5
Former USSR	335	3	1,065	6	1,400	5
Afghanistan	545	4	130	1	675	2
Total for the year	12,440	42	17,205	58	29,640	100

1997

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	1,415	9	845	5	2,260	7
Somalia	1,485	9	1,245	8	2,730	8
Sri Lanka	880	5	955	6	1,830	6
Former USSR	725	4	1,290	8	2,015	6
Afghanistan	950	6	135	1	1,085	3
Total for the year	16,590	51	15,915	49	32,500	100

1998

Nationality	Applied at port		Applied at in-country		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Former Yugoslavia	3,160	14	4,815	21	7,980	17
Somalia	1,620	7	3,065	14	4,685	10
Sri Lanka	1,840	8	1,665	7	3,505	8
Former USSR	1,330	6	1,490	7	2,820	6
Afghanistan	1,980	8	415	2	2,395	5
Total for the year	23,345	51	22,670	49	46,015	100

[1] Figures rounded to the nearest 5 with * = 1 or 2

Crown Dependencies

Mr. Heathcoat-Amory: To ask the Secretary of State for the Home Department if he recognises the rights of the Crown Dependencies to set their own tax rates, structure and allowances without reference to the UK Government. [98733]

Mr. Mike O'Brien: Legislation on taxation in the Crown Dependencies has always taken the form of laws enacted by the legislatures of the Crown Dependencies. All primary legislation passed by those legislatures requires the Assent of the Queen in Council.

Seals

Miss Geraldine Smith: To ask the Secretary of State for the Home Department if he will provide continuing protection for seals under the Conservation of Seals Act 1970, following the expiry of the Order laid under section 3(1) in 1996. [99835]

Mr. Mike O'Brien: I have now laid before Parliament the Conservation of Seals (England) Order 1999, which provides permanent close season protection for common seals and grey seals in an area stretching along the North Sea coast from the border between England and Scotland to Newhaven on the south coast. The Order will come into force on 19 December, to coincide with the expiry of the Order laid in 1996.

Animal Welfare

Mr. Baker: To ask the Secretary of State for the Home Department (1) if he will make it his policy to ensure the permanent quarters of performing animals are brought within the scope of the Zoo Licensing Act 1981; [99126]

(2) if he will bring performing animal centres within the terms of the Zoo Licensing Act 1981; and if he will make a statement. [99125]

Mr. Mike O'Brien: These are matters being considered by the Home Office in consultation with the Department of the Environment, Transport and the Regions, following receipt of recommendations from the Associate Parliamentary Group for Animal Welfare about animals in circuses.

Mr. Baker: To ask the Secretary of State for the Home Department if he will make it his policy to require suppliers of exotic pets to provide written information to customers concerning housing and care for certain threatened species. [99127]

Mr. Mike O'Brien: The Pet Animals Act 1951 (as amended in 1983) requires any person keeping a pet shop to be licensed by their local authority under such conditions as may be specified.

The Government have no plan to introduce an explicit legal requirement that suppliers of exotic pets should provide written information to customers concerning housing and care for such animals. The welfare of exotic animals kept as pets is, however, provided for under the Protection of Animals Act 1911, under which it is an offence to ill-treat or cause any unnecessary suffering to any domestic or captive animal.

It is widely accepted that it is good practice for pet shops to give customers advice on how to care for their animals. The Pet Care Trust (the organisation for the pet trade) include, as part of their Code of Practice for Retailers, a requirement that pet care leaflets should be made available to customers, where appropriate, at the time of purchase.

Trade in endangered species is strictly controlled by the Convention on the Trade in Endangered Species (CITES). Under CITES, welfare requirements must be satisfied before any threatened species will be allowed to enter the country. Subsequent movements of such animals are also controlled.

Mr. Baker: To ask the Secretary of State for the Home Department if he will make a statement on the increased numbers of cruelty convictions against pet shops over the last year; and if he will make it his policy to introduce a more robust and comprehensive inspection and licensing regime. [99128]

Mr. Mike O'Brien: There has been a two per cent. increase in the latest available statistics for cruelty convictions under the Protection of Animals Act 1911, but it is not possible to identify the incidence of such cases involving pet shops.

There are no plans to amend the Pet Animals Act 1951, by which pet shops are inspected and licensed by local authorities, and under which conditions are imposed relating to standards of welfare of animals kept in pet shops. Enforcement of the legislation is entirely for local authorities, who have the range of powers needed to detect cruelty and bring prosecutions when appropriate.

The provisions of the 1951 Act, together with the Protection of Animals Act 1911, under which it is an offence to cause any domestic or captive animal unnecessary suffering, provide adequate protection for animals in pet shops.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department (1) in the applications leading to existing OECD guideline 401 licences issued *(a)* before 5 September 1998 and *(b)* since that date approximately how many animals it was envisaged would be used; [99140]

(2) what steps he is taking to encourage other EU states to adopt the UK position on LD50 tests; [99131]

(3) by what date he proposes to review Guideline 401 licences; and what the outcome was of reviews already carried out; [99143]

(4) against what criteria he proposes to review existing OECD guideline 401 licences issued before 5 September 1998; [99142]

(5) what legal advice he has received in respect of OECD guideline 401 licences granted *(a)* before and *(b)* since 5 September 1998; [99144]

(6) of the existing OECD guideline 401 licences issued before 5 September 1998, how many, taking into account any renewal already granted, are due to expire in *(a)* 2000, *(b)* 2001, *(c)* 2002 and *(d)* 2003; [99141]

(7) how many existing project licences authorising the use of the LD50 test, as defined in OECD guideline 401, were issued *(a)* before 5 September 1998 and *(b)* since that date; [99139]

(8) how many animals were used in LD50 tests as set out in OECD guideline 401 in the UK in *(a)* 1996, *(b)* 1997 and *(c)* 1998, listed by species. [99132]

Mr. Mike O'Brien: We have accepted that Section 5 (5) of the Animals (Scientific Procedures) Act 1986, as amended in September 1998, does not allow licensing of the Lethal Dose 50 (LD50) test for the purpose of meeting international regulatory requirements. The general principle is that a test will be licensed only where there is not a scientifically valid and reasonably practicable and accepted alternative.

One licence, issued since September 1998, has been varied. This was the point at which changes on the face of the Animals (Scientific Procedures) Act 1986 became effective. Authorities to use the LD50 test on a project due to expire in 2004 have been withdrawn, but alternative tests (Organisation for Economic Co-operation and Development (OECD) Guidelines 420, 423 or 425) are likely to be used instead. A total of 467 rats have been used under this licence and an earlier one for the same purpose, which it succeeded.

We have undertaken to review relevant licences issued before September 1998. All project licences authorising acute toxicity testing using protocols based upon OECD Guideline 401 will be reviewed and amended to prohibit the use of the protocols where suitable alternative methods are available. Amendments will be subject to the standard processes of representation. We accept there may be cases where no exact alternative is available and Guideline 401 (the LD50 test) can be lawfully licensed.

The review should be completed by mid-December 1999 on approximately 50 existing licences, issued before 5 September 1998. It has not, at this stage, been possible to make an assessment of the expiry dates of those licences or the number of animals affected.

Information relating to the numbers of animals used in LD50 tests each year is not available. Changes to data collection introduced in January 1999—for reporting in 2000—will separately identify different forms of acute toxicity tests.

We are pressing the European Commission to follow our lead in interpreting Article 7 of European Directive 86/609/European Economic Community. The Commission has formally urged the OECD to withdraw Guideline 401 on the basis that alternative acute toxicity tests have been accepted for most situations.

Mr. Baker: To ask the Secretary of State for the Home Department if he will make it his policy to repeal section 24 of the Animals (Scientific Procedures) Act 1986. [99122]

Mr. Mike O'Brien: Under the proposals for the Freedom of Information Bill, we will review all statutory bars on the disclosure of information, including section 24 of the Animals (Scientific Procedures) Act 1986. No decision has yet been taken on whether to repeal or amend section 24.

Freedom of Information

Mr. Baker: To ask the Secretary of State for the Home Department for what reasons the policy as to whether or not to disclose information has been changed from one based on substantial harm to one based on prejudice to the effective conduct of public affairs. [99124]

Mr. Mike O'Brien: The Freedom of Information Bill translates the policy proposals contained in the White Paper, 'Your Right to Know', into legislation. It is necessary in the Bill to express the Government's intentions in language that is clear to those who are affected as well as the courts. The Government have therefore used in most cases a test of prejudice, as this test has been used in similar legislation such as the Data Protection Act 1998 and the Local Government Act 1972 and is well understood by the courts and practitioners. The Information Commissioner will have power to overturn reliance on an exemption in any case if the "prejudice" test is not properly made out. The Commissioner will be able to ensure that any prejudice caused will be "real", "actual", or "of substance".

Mr. Baker: To ask the Secretary of State for the Home Department if he will make it his policy to ensure that there are no blanket confidentiality clauses in the forthcoming Freedom of Information Bill. [99123]

Mr. Mike O'Brien: Nothing in the Freedom of Information Bill prevents the disclosure of information by public authorities if it is otherwise lawful. However, I am satisfied some information should be exempt from the statutory right to know where issues of privacy or confidentiality apply, where the effective conduct of public affairs is at issue or where prejudice would, or would be likely to occur to a specified interest.

In some cases, it is right that an exemption should apply in all circumstances. However, the Freedom of Information Bill provides that, in most cases, the public authority should further consider whether the public interest in disclosure outweighs the public interest in maintaining the exemption in question. In this way, the greater amount of openness can be delivered consistent with effective Government.

Hunting with Dogs

Mr. Baker: To ask the Secretary of State for the Home Department if the Government's support for a ban on hunting with hounds is dependent on the findings of the committee of inquiry he has set up to look into the issue. [99120]

Mr. Mike O'Brien: The purpose of the inquiry is for the facts about hunting properly to be decided and to inform the debate. The issue of hunting with hounds will be a matter for a free vote for all Members of Parliament, including members of the Government.

Correspondence

Mr. Chope: To ask the Secretary of State for the Home Department when he will reply to the letter from the hon. Member for Christchurch dated 26 July about Mrs. Seaward. [99465]

Mrs. Roche: I am very sorry that the hon. Member has not received a reply to his letter. This is a complicated and involved case and I will write to him as soon as possible.

Mr. Chope: To ask the Secretary of State for the Home Department when he will reply to the letter of 10 September from the hon. Member for Christchurch concerning the visa application of Victoriano Sarmiento. [99464]

Mrs. Roche: A reply was sent to the hon. Member on 15 November 1999.

EDUCATION AND EMPLOYMENT

Child Care

Jackie Ballard: To ask the Secretary of State for Education and Employment what percentage of further education students received help with child care costs through access funds in 1999–2000 and 1998–99. [98671]

Mr. Wicks: We estimate that in 1998–99 around four per cent. of students with a dependent child received help with child care costs from the FE Access Fund or from the Further Education Funding Council tariff scheme, which provided approximately 18,000 students with free child care. In 1999–2000 the FE Access Fund will be increased almost four-fold to £36 million and the FEFC direct child care support will be boosted by an additional £5 million. No figures are yet available for 1999–2000 on numbers of students assisted.

Human Rights Act 1998

Mr. Don Foster: To ask the Secretary of State for Education and Employment what plans he has to require universities to conduct research in respect of their compliance with Article 14 of the European Convention on Human Rights and relevant sections of the Human Rights Act 1998; and if he will make a statement. [98524]

Mr. Wicks: As bodies receiving public funding, universities must ensure that they operate in a manner which adheres to the Human Rights Act 1998. As autonomous organisations, universities are responsible for monitoring their own admission and operating policies and as such should ensure their own compliance with the Human Rights Act. The Government and the Higher Education Funding Council for England, do not, at present, have any plans to investigate this issue.

Education Expenditure

Mr. Willis: To ask the Secretary of State for Education and Employment what analysis he has made of the reasons for the real terms fall in education expenditure in 1998–99, as compared with 1997–98, shown in his Department's Statistical Bulletin 10/99. [98641]

Mr. Wicks: The Budget for 1998–99 would have provided an increase of just £182 million for schools—a 1.5 per cent. cut in real terms. As a result of early action by this Administration, that increase was raised to over £1 billion—an increase of 5.6 per cent., or 3 per cent. in real terms. In doing so we averted the potential loss of an estimated 15,000 teachers between 1997–98 and 1998–99 and saw teacher numbers rise by 4,000. This meant that instead of the pupil:teacher ratio worsening from 18.9 to an estimated 19.5, it improved to 18.8.

In addition, we introduced the New Deal for Schools, providing an extra £1.1 billion for repair of school buildings. Between 1998–99 and 2001–02 we are doubling capital spending in schools.

The Comprehensive Spending Review, announced in July 1998, meant an extra £16 billion for education in England over the three years from 1999–2000. By the end of the Parliament, we will be spending 17 per cent. more in real terms on education than in 1997–98. In the first two budgets of this Government, spending per pupil has increased in real terms by £80 and by 2001–02 it will have increased by £220. The 1997–98 budget was decided and allocated before May 1997 and is the responsibility of the previous administration.

Higher Education

Mr. Boswell: To ask the Secretary of State for Education and Employment what arrangements he has put in place to ensure a common approach to the intensification of research selectivity between higher education funding bodies responsible for the various constituent parts of the United Kingdom. [99121]

Mr. Wicks: The four higher education funding bodies jointly sponsor the UK-wide Research Assessment Exercise, and allocate over 90 per cent. of research funding according to its outcomes. The assessment process is identical in all parts of the UK, and in each case the key determinants in calculating an institution's grant are the quality and volume of its research.

SOCIAL SECURITY

Welfare Payments

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the *(a)* cost and *(b)* number of beneficiaries of making Home Responsibilities Protection automatic for all recipients of Invalid Care Allowance. [98457]

Mr. Bayley: Recipients of Invalid Care Allowance are credited with Class 1 National Insurance contributions for each week for which they get this benefit. They would derive no additional benefit from Home Responsibilities Protection.

FOREIGN AND COMMONWEALTH AFFAIRS

Turkey

Mrs. Curtis-Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the compliance by the Turkish Government with each article of the United Nations Convention on Human Rights. [98596]

Mr. Vaz: The Universal Declaration of Human Rights is not in itself a legally binding convention. However, it sets the framework for the six core international human rights treaties. We urge Turkey to ratify and fully implement these treaties.

We monitor the situation in Turkey closely and are in regular contact with non-governmental human rights organisations. We seek to ensure that the Turkish Government is fully aware of the importance we attach to countries complying with those international human rights mechanisms to which they have signed up.

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of Turkey over the Kurdish problem. [98820]

Mr. Vaz: We regularly raise human rights issues in our bilateral discussions with the Turkish government. We have repeatedly stressed to the Turkish authorities that a lasting solution to the conflict in south east Turkey can come about only if the Turkish government addresses the social and economic problems of the south east and the aspirations of the Kurdish population there.

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the prospects for displaced Kurds to return to their villages in Turkey. [98819]

Mr. Vaz: Village clearances in south east Turkey have virtually ceased since 1997. We welcome that, and the Turkish authorities' recent efforts to encourage re-population of these villages. Since repairs to key infrastructure, several thousand Kurds have begun to return. We will continue to monitor the situation closely.

Bulgaria

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what negotiations he has had with the Government of Bulgaria over possible closure dates for the four nuclear power station units at its Kozloduy power plant; and if he will make a statement. [98741]

Mr. Vaz: We strongly support G7 and EU efforts to improve nuclear safety in Central and Eastern Europe. Within the EU, the Commission is leading the negotiations with the Bulgarian Government over closure dates for units 1–4 at Kozloduy nuclear power plant, as part of the wider EU enlargement process. Our Ambassador in Sofia has encouraged the Bulgarians to work with the Commission on a realistic timetable for closure of units 1–4, in line with Bulgaria's international commitments, including its Accession Partnership within the EU. We strongly support the Commission's efforts to secure an agreement with the Bulgarians on this issue.

Angola

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what measures Her Majesty's Government have put in place to ensure the freezing of funds and financial resources of senior UNITA officials and adult members of their immediate families to comply with United Nations Security Council resolution 1173 (1998). [99157]

Mr. Hain: I refer my hon. Friend to the speech on Angola I made on 20 November 1999, a copy of which I have placed in the Library. Following adoption of UN Security Council resolution 1173 (1998), the Angola (United Nations Sanctions) Order 1998 (SI 1998/1752) came into force on 23 July. It imposes restrictions on certain actions making available or otherwise transferring funds and financial resources to or to the benefit of UNITA as an organisation or senior officials of UNITA or adult members of their immediate families.

The Angola (United Nations) (Dependent Territories) Order 1998 (SI 1998/1753) implements these measures in the Overseas Territories. The Angola (United Nations Sanctions) (Channel Islands) Order 1998 (SI 1998/1756) and the Angola (United Nations Sanctions) (Isle of Man) Order 1998 (SI 1998/1757) implements these measures in the Crown Dependencies.

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance Her Majesty's Government have given to the work of the United Nations Panel of Experts on Angola sanctions with regard to their investigations into *(a)* UNITA arms purchases, *(b)* UNITA oil purchases and *(c)* UNITA diamond sales. [99159]

Mr. Hain: We fully support the work of the UN Sanctions Committee on Angola and the Expert Panels and will make a financial contribution in the region of $200,000 towards the cost of the Expert Panels' work.

Government officials recently met members of the Panels during a visit to the UK and will hold discussions with the Chairman of the Expert Panels during his visit to the UK in December. We remain in close liaison with Ambassador Fowler, Chairman of the Sanctions Committee.

I refer my hon. Friend to the speech on Angola I made on 20 November 1999, a copy of which I have placed in the Library.

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what measures Her Majesty's Government have put in place to ensure the prohibition of direct and indirect imports from Angola to the United Kingdom of diamonds that are not controlled through the Certificate of Origin regime of the Angolan Government to comply with United Nations Security Council Resolution 1173 (1998). [99156]

Mr. Hain: Following adoption of UN Security Council resolution 1173 (1998), the Open General Import Licence was amended to prohibit the import into the UK of diamonds exported from Angola not accompanied by a Certificate of Origin issued by the Government of Unity and National Reconciliation of Angola (GURN).

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs what involvement Her Majesty's Government will have in the new United Nations Office in Angola to be established, pursuant to United Nations Security Council Resolution 1268 (1999). [99162]

Mr. Hain: We voted in favour of UNSC Resolution 1268 establishing the United Nations Office in Angola (UNOA). As a major contributor to the United Nations, we will be providing funds for UNOA in accordance with our budgetary responsibilities. The detail of UNOA's staffing and tasks are under discussion between the UN Secretary-General and the Government of Angola.

General Affairs Council

Mr. Hood: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the outcome of the General Affairs Council held in Brussels on 15 and 16 November; and if he will make a statement. [98505]

Mr. Vaz: The General Affairs Council in Brussels on 15 November adopted the A points listed in document 12700/99 and noted the resolutions, decisions and opinion adopted by the European Parliament in its session of 25–29 October listed in document 11449/99. Copies of the documents listing the A points and resolutions will be placed in the House Libraries as soon as they become available.

Preparation for Helsinki European Council

(A) European Security and Defence Policy

1. For the first time, Foreign Ministers were joined in the General Affairs Council by Defence Ministers. They discussed progress on follow up to the Cologne Declaration on strengthening the common European policy on security and defence in preparation for the Helsinki European Council. They considered the need for improvements to European military capabilities, including through the setting of targets for European forces capable of being deployed at short notice, and also the need for new structures within the

European Union to enable Ministers to take informed decisions on the deployment of military forces on peacekeeping or crisis management operations.

(B) Common Strategies

Ministers were briefed by the Presidency on the implementation of the Common Strategy on Russia and on preparation of further Common Strategies commissioned by the Vienna European Council. They agreed that the Common Strategy on Ukraine should be ready for Heads of Government to consider at the Helsinki European Council.

(C) Enlargement

The Council had a preliminary discussion of the Commission's Recommendations on enlargement in advance of the Helsinki European Council. The Council will return to the subject on 6 December.

Negotiations on a development partnership with ACPs/9th European Development Fund

2. The Commission proposed maintaining the volume of the next European Development Fund (EDF 9) at the same level as the previous one in real terms. The Secretary of State for International Development, representing the United Kingdom, called for a more realistic assessment of needs to form the basis of discussion on replenishing the EDF. The Council will come back to this at the General Affairs Council on 6 December.

Bananas

3. The Commission presented its proposal for a new banana regime. The Council took note and referred the proposals to the relevant Council bodies for detailed examination.

WTO: Ministerial Conference in Seattle

4. The Council discussed the preparations for the WTO Ministerial Conference at Seattle. It reiterated its support for a comprehensive trade round, responding to the interests of all WTO members, and those of civil society.

EU/South Africa

5. Following discussion among Ministers, the Commission said that it would renew contacts with South Africa to pursue a solution allowing the Agreement on Trade, Co-operation and Development with South Africa to be applied provisionally from 1 January 2000.

Northern Caucasus/Chechnya

6. The Council expressed its deep concern over the continuing military campaign in Chechnya. It called on Russia to observe its commitments under international humanitarian law to avoid civilian casualties and to keep the Chechen-Ingush border open in order to ensure access to safety for IDPs. The Council strongly urged the Russian Government to seek a negotiated settlement and to use the good offices of the OSCE.

Pakistan

7. The Council discussed developments in Pakistan following the 12 October military coup. Ministers reiterated the EU's call for a speedy restoration of democratic civilian rule and urged the military to produce a timetable for this, with clear benchmarks for progress. The Council called for Nawaz Sharif to have a fair and open trial, and for Pakistan to sign and ratify the CTBT.

Western Balkans

8. The Council underlined its continued support for the Serbian people through humanitarian aid, help to democratic political forces and independent media organisations, and preparation for the reconstruction and international re-integration of a democratic Serbia. The EU will also continue to support the democratically elected government of President Djukanovic in Montenegro, including through technical advice and reconstruction aid.

9. The Council adopted amendments to the OBNOVA regulation, which will allow the EU Reconstruction Agency—Kosovo to be set up as soon as possible. The Agency will be responsible for the delivery of EU long-term reconstruction assistance.

10. The Council stressed the need for all political leaders in Kosovo to work actively to prevent the harassment of minority communities, and the need for EU financial and other support for the activities of UNMiK. The Council further confirmed the EU's readiness to help regional states to clear the Danube at Novi Sad, once the FRY has undertaken to meet its obligations under the Danube Conventions.

11. The Council emphasised the importance of free and fair elections in Croatia, and regretted Croatia's failure to take the international community's concerns about its electoral and media laws fully into account. The Council emphasised that Croatia should cooperate fully with ICTY, and can expect active support for a closer and deeper relationship with the EU only if it is willing to take the necessary steps. The EU also welcomed the constitutionality of the recent change in government in Albania, and called on Albania to pursue the priorities of democratisation and the fight against corruption.

Indonesia

12. The Council reviewed recent events in Indonesia and welcomed the establishment of a new broadly based Indonesian government. Foreign Ministers looked forward to working closely with Indonesia on a wide range of issues.

AOB: North Korea (Humanitarian situation)

13. Germany raised concerns about the humanitarian situation in North Korea. The Commission outlined the humanitarian assistance already being provided, including food aid, medical supplies and projects on agricultural rehabilitation, water and sanitation. There was a general discussion about possible measures the Commission might take to encourage North Korea into further economic reform and dialogue with the international community.

AOB: Death Penalty

14. The Council reaffirmed the importance of a common approach to the question of the death penalty, under consideration at the General Assembly in New York. Partners regretted that discussions in New York with all interested delegations had been unable to find consensus on important language relating to the purposes and principles of the United Nations Charter.

EEA: Council

15. The EEA Council took place in the margins of the GAC. Both sides expressed satisfaction with the functioning of the EEA Agreement.

Restraining Equipment

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department takes the United Nations' Standard Minimum Rules for the Treatment of Prisoners into account before approving the grant of export licences for oversize cuffs, jumbo cuffs and other restraining equipment. [98541]

Mr. Hain *[holding answer 22 November 1999]:* The UK fully supports the provisions set out in the United Nations' Standard Minimum Rules for the Treatment of Prisoners.

The statement made by my right hon. Friend the Foreign Secretary in answer to my hon. Friend the Member for Portsmouth, North (Mr. Rapson) on 28 July 1997, *Official Report*, columns 65–66W, specifically exempted normal handcuffs.

No licence is required to export handcuffs which have a maximum overall dimension, when locked, that does not exceed 240mm. The export of handcuffs over this size is controlled and applications for their export are assessed against the UK's national export criteria announced in July 1997 and the EU Code of Conduct on Arms Exports and in light of the ban on the export of leg irons and other items used in torture, announced in July 1997.

Democratic Republic of Congo

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on continuing peace initiatives in the Democratic Republic of Congo. [99242]

Mr. Hain: The Lusaka Agreement offers the best chance of lasting peace in DRC. We are working to support its successful implementation. We continue to urge all parties to implement the agreement in full and to cooperate closely with the UN and other international organisations. We are providing people and money to help implement the military aspects. We are ready, in principle, to support the establishment of a UN force to help implement the agreement. We are also encouraging the DRC authorities and the OAU to press ahead with the planned national debate on the future of the DRC, and are ready to provide funding for this.

Horn of Africa

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the situation in Ethiopia and Eritrea. [99234]

Mr. Hain: The situation in Ethiopia and Eritrea remains delicately poised. Eritrea has accepted the Technical Arrangements for implementation of the OAU Framework Agreement. Ethiopia has difficulties with this document.

Algeria, as current chair of the OAU, is continuing to work with both sides to find a way of moving the process forward. The OAU's mediation efforts have our full support.

We continue to urge both sides to remain engaged; to refrain from a return to fighting; and to reach a peaceful solution to the current crisis.

Colombia

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received concerning the development of the Urra Dam in Colombia. [99253]

Mr. Battle: We received written representations on the Urra Dam project in January and February 1999. Officials in the British Embassy in Bogota are aware of the background to the project and are monitoring developments closely.

Officials in the British Embassy in Bogota discussed this project with the Colombian authorities and an NGO representing the Embera-Katio Indians earlier this year, we have asked them to report on the latest developments

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received concerning Occidental Petroleum and the indigenous U'wa of Colombia. [99254]

Mr. Battle: We have received written representations on Occidental and the U'wa Indians of Colombia in November 1997. Officials in the British Embassy in Bogota are aware of the background to this dispute and are following developments closely.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to his United States counterpart with regard to United States military intervention in Colombia. [99252]

Mr. Battle: We have regular discussions with our US counterparts on a range of foreign policy issues. Those discussions have included the situation in Colombia and the importance of international support for efforts to secure a peaceful resolution of that country's problems.

Murdered Hostages (Chechnya)

Mrs. Browning: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of the transcript of the interviews the Metropolitan Police held with *(a)* Movladi Akhmetkhanov and *(b)* Turpal Atgerier. [99250]

Mr. Battle: The information sought was provided in confidence (exemptions 1c and 14a of the Code of Practice on Access to Government Information) and its disclosure could prejudice future cooperation in this and other cases (exemption 14b). The killings of the four hostages in Chechnya are also the subject of continuing law enforcement and possible legal proceedings by the Russian and Chechen authorities (exemption 4). It is therefore not appropriate to place records of these discussions in the Library.

Mrs. Browning: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of the remit given by his Department to the Metropolitan Police in respect of their investigation into the murdered hostages in Chechnya. [99251]

Mr. Battle: The British Police have no general remit to investigate the murder of British nationals overseas. However, the Metropolitan Police Service carried out certain inquiries in support of the efforts of the Foreign and Commonwealth Office to establish the circumstances of the killings of British hostages in Chechnya. There was no written remit; these inquiries followed HMG's efforts during the kidnap, in which the police always play an integral part.

Sri Lankan Elections

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what contribution the United Kingdom will make to international monitoring missions to Sri Lanka to oversee the presidential elections; [99427]

(2) what steps he will ask the Commonwealth to take to oversee the presidential elections in Sri Lanka. [99426]

Mr. Hain: The Elections Commissioner in Sri Lanka has not yet decided whether to invite international election monitors to oversee the Presidential Elections. We await his decision. However it is important that the elections are free and fair and the UK stands ready to assist.

Nigeria

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Nigerian Government about the imposition of Sharia laws in the state of Zamfara. [99428]

Mr. Hain: The imposition of Sharia law in Zamfara State is a matter for the Nigerian authorities. The Nigerian Constitution allows for civil cases to be considered under Sharia law. But there is still some confusion over the scope of the Zamfara provisions, and over the interpretation of the Constitution. We are monitoring the situation closely.

Sudan

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Sudanese Government concerning human rights abuses in the Sudan. [99429]

Mr. Hain: We regularly make representations to the Government of Sudan both on human rights concerns in general and on individual cases; bilaterally and through the EU. For example, human rights issues were one of the key areas of discussion when the EU resumed a political dialogue with the Government of Sudan on 10 November.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the implementation of the Wunlit Peace Accords signed in March 1999 in southern Sudan. [99240]

Mr. Hain: We have kept in regular touch with the New Sudan Council of Churches, the co-ordinators of the Wunlit Conference, and others involved. Our understanding is that the Conference had considerable success in tackling a number of Nuer/Dinka conflicts and that concrete change is now evident on the ground. This is welcome news.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to his *(a)* European and *(b)* American counterparts concerning the peace process in Sudan; and if he will make a statement. [99241]

Mr. Hain: We continue to give priority to peace work in the Sudan. We have been active members of the IGAD Partners Forum (IPF) and helped put together the proposal for a permanent Secretariat in Nairobi which is now operational. We have pledged a financial contribution to the Secretariat and will continue to give the peace process political backing working with many colleagues including the EU and US.

Western Sahara

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the political situation in Western Sahara. [99257]

Mr. Hain: UN efforts to find a lasting solution to the conflict in Western Sahara continue. Progress has been slowed by the large number of appeals against voter identification process. We expect the US Secretary-General to issue his report on the current situation there in early December.

Mozambique

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress in clearing land mines in Mozambique. [98743]

Clare Short: I have been asked to reply.

Good progress in the clearance of land mines in Mozambique is being made with support from several donors. My Department has funded the clearance of over 200km of road, 2 million square metres of land and destruction of over 10,000 explosive devices in Zambezia Province. This programme will continue until March 2001.

Electro-shock Weapons

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what actions his Department has taken to implement the measures outlined in his speech of 28 July 1997, *Official Report*, columns 65–66, on action taken to ban the export of electro-shock weapons. [98543]

Dr. Howells *[holding answer 22 November 1999]:* I have been asked to reply.

The export to any destination of all of the items covered by the ban announced by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on 28 July 1997, *Official Report*, columns 65–66, is controlled under entry PL5001 in Part III of Schedule 1 to the Export of Goods (Control) Order 1994, as amended. As my right hon. Friend made clear in his announcement, the export of some of the items covered by the ban was not at that time subject to control. The export of these items was brought under control by article 7(8) of the Export of Goods (Control) (Amendment No 3) Order 1997 [SI 1997/2758], which came into force on 15 December 1997.

No licences have been issued for any of the items covered by the ban since 2 May 1997.

TREASURY

Climate Change Levy

Mr. Loughton: To ask the Chancellor of the Exchequer if he will define new renewable sources of energy, as set out in his pre-Budget report for exemption from the proposed climate change levy. [99191]

Mr. Timms *[holding answer 22 November 1999]:* The technologies within the proposed definition and eligible for exemption from the climate change levy when used to generate electricity are:

Wind Energy

Hydro Power (excluding those exceeding 5MW)

Tidal Power

Wave Energy

Photovoltaics

Photoconversion

Geothermal Hot Dry Rock

Geothermal Aquifers

Municipal and Industrial Wastes

Landfill Gas

Agriculture and Forestry Wastes

Energy Crops.

Fuel Duty

Mr. Loughton: To ask the Chancellor of the Exchequer (1) on what basis he has increased his estimates for carbon emissions savings due to increases in fuel duties between 1996 and 2010, as set out in the pre-Budget Report; [99185]

(2) if his revised figure for carbon emission savings due to fuel duty increases between 1996 and 2010, set out in the pre-Budget report, takes into account ending the automatic fuel escalator; and from what year. [99186]

Mr. Timms *[holding answer 22 November 1999]:* The Chancellor made clear in the pre-Budget Report that the appropriate level of fuel duties will now be decided on a Budget by Budget basis. Given this, the estimates of carbon savings in the PBR do not assume real terms rises in fuel duties from Budget 2000 onwards.

Mr. Jenkin: To ask the Chancellor of the Exchequer what expenditure he plans to make from revenues hypothecated from increases in fuel duty in each of the next three years. [99317]

Mr. Timms: In his Pre-Budget Report, the Chancellor announced that in future he would decide the appropriate level of road fuel duties on a Budget by Budget basis, taking account of the Government's economic and social objectives as well as the UK's environmental commitments.

The Chancellor also announced that the revenues from any future real terms increases in road fuel duties would go straight to a ring-fenced fund for improving public transport and modernising the road network.

The amounts involved will be announced in each year's budget in the normal way.

Stamp Duty (Securities)

Mr. Loughton: To ask the Chancellor of the Exchequer (1) what representations he has received regarding the future charging structure of stamp duty on securities; [R] [99181]

(2) what proposals he has for changes to the charging of stamp duty on securities. [R] [99180]

Miss Melanie Johnson *[holding answers 22 November 1999]:* A number of representations about stamp duty on share transactions have been received. It would be inappropriate to anticipate my right hon. Friend's Budget Statement.

National Insurance Fund

Mr. Baker: To ask the Chancellor of the Exchequer what is the present surplus on the National Insurance Fund; and what plans he has to deploy this. [99135]

Dawn Primarolo: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Newport, West (Mr. Flynn) on 11 November 1999, *Official Report*, column 772–73W.

There are no plans to deploy the surplus.

EU Budget

Mr. Paterson: To ask the Chancellor of the Exchequer if he will list the net and gross contributions to the European Union of 1998 by each member state; and what is the source of these figures. [99318]

Miss Melanie Johnson: Information on Member States' contributions and receipts is published by the European Court of Auditors (ECA) in its annual report. The ECA annual report on 1998 was published on Tuesday 16 November 1999 and a copy will be available in the Library shortly.

HEALTH

Beta Interferon

13. **Mr. Robertson:** To ask the Secretary of State for Health when he expects to publish his new circular on the prescribing of beta interferon. [98938]

Mr. Denham: Ministers are currently considering all comments received during the consultation on a draft Health Circular on the prescribing of beta-interferon.

Breast Screening

14. **Ms Perham:** To ask the Secretary of State for Health when the findings of the pilot projects assessing the impact of extending routine breast screening to women aged 65 to 69 years will be published. [98939]

Yvette Cooper: There are three pilot projects on automatic recall of women aged 65 to 69 for breast cancer screening. The last of the pilots is due to end in summer 2000. We have asked the National Screening Committee to consider this matter and to advise us on the issue of extending automatic recall on the basis of those pilot studies. Obviously, before any changes are introduced we must of course make sure that changes are safe and effective and that the high quality standards of the breast screening programme can be maintained.

Elderly General Practice Patients

15. **Dr. Starkey:** To ask the Secretary of State for Health if he will make a statement on the extra capitation to general practitioners for elderly patients. [98940]

Mr. Denham: A general practitioner is entitled to a capitation fee for every patient on his or her list. The fee for a patient aged 65–74 is higher than that for one aged under 65. The fee for a patient aged 75 and over is two and a half times higher than for a patient aged under 65. These levels are a matter for the independent Pay Review Body, taking account of evidence from the profession and the Health Departments.

Social Services Standards

18. **Mr. Miller:** To ask the Secretary of State for Health what plans he has to reduce inconsistency in the standards of social services departments. [98943]

Mr. Hutton: We are taking a range of measures to drive up standards in social services. There will be a new independent regulation system for care homes, children's homes and other care services including those directly provided by local authorities, based on national standards. The Fair Access to Care initiative will require local authorities to apply eligibility criteria consistently around the country. Our proposed Quality Strategy for Social Services will help raise local standards.

The implementation of these initiatives will be monitored closely. For the first time there is a comprehensive performance assessment system for social services, built around the Best Value regime.

Dentistry

19. **Mr. Kidney:** To ask the Secretary of State for Health what plans he has to continue the investing in dentistry initiative in future financial years. [98944]

Mr. Hutton: The Investing in Dentistry and Personal Dental Service initiatives have made a good start in tackling the worst local problems of access to NHS dentistry which we inherited. As my right hon. Friend the Prime Minister has made clear, this Government are determined to make NHS dentistry a truly national service again, and to make sure that, within two years, anyone who wants to see an NHS dentist can do so. In the new year we will publish our plans for building on the success of IID to achieve that, as part of a wide-ranging strategy for dentistry in England.

Kidney Dialysis (Royal Preston Hospital)

20. **Mr. Jack:** To ask the Secretary of State for Health if he will make a statement on the revenue funding his Department will make available to run the proposed new kidney dialysis facilities proposed for the Royal Preston hospital. [98945]

Mr. Hutton: A scheme to provide 15 additional dialysis stations has been prioritised by the four health authorities covering Lancashire and South Cumbria and is proceeding well. The four authorities are committed to meeting the revenue costs from their respective general allocations. Health authority allocations for 2000–01 will be announced shortly but, in 1999–2000, the four have already received a total of £1,063 million, which represents a significant increase of £61.5 million or 6.15 per cent. over 1998–99.

Camden and Islington

21. **Mr. Corbyn:** To ask the Secretary of State for Health what proposals he has to improve the quality of health care in Camden and Islington. [98946]

Mr. Denham: The Camden and Islington Health Action Zone will aim to tackle the root causes of ill health by addressing early life experience, social isolation and addiction. It will also work to improve services for key client groups such as older people and people with mental health needs. So far almost £8 million has been made available to Camden and Islington HAZ.

My hon. Friend the Minister of State recently visited The New River Green Family Project (part of Camden and Islington HAZ), which is seen as a pilot project for the development of community based family support work within a defined geographical area. It will provide a practical learning experience for all those involved.

Social Care

22. **Mr. Woolas:** To ask the Secretary of State for Health if he will make a statement about his plans to establish an institute for excellence in social care. [98947]

25. **Ms Kelly:** To ask the Secretary of State for Health if he will make a statement about his plans to establish an institute for excellence in social care. [98950]

Mr. Hutton: As a measure of the importance which we attach to the delivery of high quality social services, we shall be consulting on a Quality Strategy for Social Services, including proposals for establishing an institute for excellence in social care, early in the New Year.

West Cumbria NHS Services

23. **Mr. Campbell-Savours:** To ask the Secretary of State for Health what plans he has to ensure the future viability of services provided by the NHS in West Cumbria. [98948]

Mr. Hutton: The North Cumbria Health Authority, local National Health Service Trusts and the National Health Service Executive are presently reviewing the configuration of services prior to public consultation.

We are awaiting details of proposals which will address the issue of how the viability of services in West Cumbria may be best assured.

Out-patients (Cornwall and Scilly Isles)

24. **Mr. Andrew George:** To ask the Secretary of State for Health what assessment he has made of out-patient waiting times in Cornwall and on the Isles of Scilly. [98949]

Mr. Denham: Despite a combination of increased referrals and reductions in activity due to the eclipse, Cornwall and Isles of Scilly Health Authority, working together with the local Trusts, is taking action to address out-patient waiting times and will reduce the number of long waiters by the end of the year.

Organ Donors

26. **Mr. Hilary Benn:** To ask the Secretary of State for Health what steps the Government are taking to increase the number of organ donors. [98951]

Mr. Denham: The Organ Donor Publicity Campaign was launched in October 1998 and was reinforced in February by a campaign targeting the South Asian community. We shall continue to build on these campaigns to encourage people to join the NHS Organ Donor Register, to carry the Donor Card at all times and most importantly make their wishes known to their family and friends.

We shall be developing a further campaign to inform the medical profession about best practice in requesting organ donation.

Additionally, in line with the drive to improve the quality of care for all users of the NHS, we shall seek to ensure that best practice is adopted in all units involved in donation and transplantation. We shall also support best practice in live donation, which has increased significantly over the last few years.

Cancer Services

27. **Mr. Salter:** To ask the Secretary of State for Health what plans he has to improve cancer services. [98952]

Yvette Cooper: We have recently appointed Professor Mike Richards as National Cancer Director. Reporting to Ministers and with executive responsibility, he will spearhead our concerted drive on cancer. Professor Richards has identified his priorities as workforce issues, faster access to treatment, fairer care and better information and support for patients. He will work in partnership with doctors, nurses, general practitioners, other health professionals and the voluntary sector to achieve these.

Out-patients

28. **Mr. Greenway:** To ask the Secretary of State for Health what estimate he has made of the number of people awaiting their first appointment as a hospital out-patient. [98953]

Mr. Denham: Data on the total number of people awaiting outpatient consultations are not collected centrally, because of the high level of turnover. During 1998–99 National Health Service trusts saw an extra 175,000 new outpatients. This year we expect the NHS to see over a third of a million more new outpatients than in 1998–99. That will mean that in 1999–2000, more than 11 million new outpatients will be seen—for the first time in the history of the NHS.

Emergency Facilities

29. **Miss Kirkbride:** To ask the Secretary of State for Health if he will make a statement on the clinical differences between an accident and emergency department and a local emergency centre. [98954]

Ms Stuart: Accident and emergency (A&E) departments have emergency care available for 24 hours a day, are equipped to deal with severely injured patients, and have a full resuscitation service. Most also have access to specialist services such as neurology, cardiology and plastics as well as diagnostic facilities such as X-rays and scanners.

Local emergency centres vary from area to area, but they may differ from full A&E departments in that they may not be open for 24 hours a day, and usually see people with less serious injuries.

However, patients can be referred from such centres to A&E departments or directly to hospital when appropriate. Additionally, enhanced telemedicine links enable patients to be diagnosed and treated locally without having to travel long distances.

Advisory Committee on Resource Allocation

30. **Mr. St. Aubyn:** To ask the Secretary of State for Health if he will make a statement on the progress of the Advisory Committee on Resource Allocation. [98955]

Mr. Denham: We have asked the Advisory Committee on Resource Allocation to undertake a wide ranging review of National Health Service resource allocation. We want a fairer formula which contributes to our goal of reducing health inequalities.

Long-term Care

31. **Mr. Burstow:** To ask the Secretary of State for Health when he will announce the Government's response to the Royal Commission on long-term care. [98956]

Mr. Hutton: We are giving the report of the Royal Commission on Long Term Care careful consideration. We want to find a solution that is fair to the taxpayer and to the individual and which will stand the test of time.

Private Health Care

32. **Mr. Pound:** To ask the Secretary of State for Health if he will make a statement on the future role of private health care. [98957]

35. **Mr. Purchase:** To ask the Secretary of State for Health if he will make a statement on the private health care market. [98960]

Ms Stuart: We are committed to continuing to develop and modernise the National Health Service to provide the best possible care. However, private care will be available for those who choose to use it and will be properly regulated. The Department does not collect information on the private health care market.

Waiting List Initiative

33. **Mrs. Laing:** To ask the Secretary of State for Health if he will make a statement on the progress of his waiting list initiative. [98958]

Mr. Denham: We are making good progress towards meeting our manifesto commitment. The number of people waiting for National Health Service treatment is now 73,000 below the level we inherited from the previous Government.

Cardiology Specialists

34. **Mr. Sheerman:** To ask the Secretary of State for Health what steps he is taking to increase the number of specialists in cardiology. [98959]

Mr. Denham: As my right hon. Friend the Secretary of State for Health confirmed recently we anticipate an additional 330 cardiology consultants and 80 extra consultants in cardio-thoracic surgery working in the National Health Service by 2005.

The National Service Framework for Coronary Heart Disease will be published shortly. This will reinforce the priority we attach to tackling coronary heart disease and set the service context within which cardiologists will work.

Coronary Heart Disease

36. **Mr. Hepburn:** To ask the Secretary of State for Health if he will make a statement on his plans to reduce the number of deaths from coronary heart disease in England. [98961]

Yvette Cooper: The White Paper, "Saving Lives: Our Healthier Nation" (published in July), sets out our strategy to tackle poor health and set a target to reduce the death rate from heart disease, stroke and related illnesses by at least 40 per cent. by 2010 from the 1996 baseline.

Last month we announced £50 million to increase cardiac surgery rates by about 10 per cent. over the two year period 2000–02, an additional 3,000 procedures over that period. This will improve access to coronary artery by-pass graft surgery. We will soon publish the National Service Framework on Coronary Heart Disease which will set out our plans for the development of services for the prevention and treatment of coronary heart disease over the next 10 years. The National Service Framework will be the keystone in our strategy to reduce both mortality and morbidity from heart disease.

Skin Transplants

37. **Mr. Blizzard:** To ask the Secretary of State for Health if he will make a statement on the system for ensuring an adequate supply of skin for patients needing transplants. [98962]

Mr. Denham: There are five tissue banks which store skin in England and there has been no shortage of supply in recent years: in both 1997 and 1998 there was an excess of donated skin over that donated for therapeutic purposes.

A National Burn Care Review is currently under way and is looking, among other issues, at considering skin banking and supply.

Consultant Referrals

38. **Mr. Ruffley:** To ask the Secretary of State for Health how many patients are waiting more than 13 weeks for their first referral to see a consultant. [98963]

Mr. Denham: At 30 June 1999, 485,000 people had been waiting longer than 13 weeks for their first outpatient appointment.

Mr. Hilary Benn: To ask the Secretary of State for Health if he will list the average waiting time to see an orthopaedic consultant at the latest date for which information is available for each hospital trust in England. [98480]

Mr. Denham: Information on the average time patients waited to be seen by an orthopaedic consultant during April to June 1999 (latest available data) by trust has been placed in the Library.

Primary Care Groups

39. **Ms Rosie Winterton:** To ask the Secretary of State for Health if he will make a statement on the progress of primary care groups. [98964]

Mr. Denham: 481 Primary Care groups have been successfully established since April 1999. 83 per cent. operate at level 2, with a devolved health authority budget of at least 30 per cent.

Tobacco Advertising

40. **Mr. Swayne:** To ask the Secretary of State for Health what his policy is towards tobacco advertising in the United Kingdom. [98965]

Yvette Cooper: As part of our comprehensive programme against tobacco, we will implement a ban on tobacco advertising in line with Directive 98/43/EC as soon as practicable.

NHS Waiting Lists

Mr. Gibb: To ask the Secretary of State for Health if he will list medical procedures and treatments which are not included in the compilation of published NHS waiting list figures. [98616]

Mr. Denham: National Health Service waiting list statistics include all procedures for which patients are currently awaiting elective admission.

National Waiting List Helpline

Mr. Lilley: To ask the Secretary of State for Health what is the length of wait for a first out-patient appointment for each consultant currently supplied to the National Waiting List Helpline. [98502]

Mr. Denham: The National Waiting List Helpline is run by the College of Health, and publication of the data they collect is a matter for them.

Medical Negligence Claims

Mr. Todd: To ask the Secretary of State for Health how much was spent on medical negligence claims in the years *(a)* 1995, *(b)* 1996, *(c)* 1997 and *(d)* 1998. [98749]

Ms Stuart: The information requested is given in the table. Figures for 1998–99 are not yet available. It should be noted that, due to changes in National Health Service accounting practice required by the National Audit Office over recent years, these data are not directly comparable.

1994–95: £160 million

1995–96: £173 million

1996–97: £235 million

1997–98: £144 million.

National Burn Care Review

Mr. Burns: To ask the Secretary of State for Health if he will make a statement on the National Burn Care Review; and when he expects it to be completed and its findings published. [99421]

Mr. Denham: The National Burn Care Review is a professionally-led review being undertaken by the British Burn Association (BBA). The Department has made a contribution towards the cost of the work and has observer status on the Review Group. The BBA expects to issue a discussion document early in the New Year.

Correspondence

Mr. Brady: To ask the Secretary of State for Health when he will reply to the letter sent to him on 3 November by the hon. Member for Altrincham and Sale West, seeking guarantees on the future of cancer surgery at the Christie Hospital in Manchester. [99245]

Ms Stuart: My noble Friend the Lord Hunt of King's Heath replied to the hon. Member today.

Prostate Cancer

Dr. Kumar: To ask the Secretary of State for Health (1) what plans he has to increase awareness of prostate cancer in the United Kingdom; and if he will make a statement; [98547]

(2) what progress he has made in *(a)* reducing the incidence of prostate cancer, *(b)* shortening the timescale for detection and *(c)* shortening the timescale for quantitive analysis since May 1997; [98549]

(3) what assessment he has made of the level of prostate cancer in the United Kingdom relative to that in *(a)* the United States of America and *(b)* other European countries; and if he will make a statement. [98548]

Yvette Cooper *[holding answers 22 November 1999]:* We are determined to improve the prevention, detection and treatment of prostate cancer. The White Paper, 'Saving Lives: Our Healthier Nation', which was published in July proposed a target to reduce the death rate from cancer in those under 75 by 20 per cent. by 2010 saving 100,000 lives.

We have already announced that by December 2000 all urgent general practitioner referrals of suspected prostate cancer should be seen by a consultant within two weeks of referral. The National Institute for Clinical Excellence (NICE) has commissioned guidance on cancer services on four further cancer sites over the next two years, and urological cancers (includes prostate) will be the first of these.

The Department provides information for the public, in leaflets and through health education campaigns. These encourage people to report to their GP or other health professional any persistent unusual symptoms which may indicate cancer or other disease. For example, the 'Europe Against Cancer' theme for 1998 was 'Cancer in Men' and a related leaflet included advice about symptoms that *may* indicate prostate cancer, including a change in urinary habits.

There were 18,900 new cases of prostate cancer in England and Wales in 1996 (provisional figures) and 8,570 deaths registered from prostate cancer in England and Wales in 1998. The latest data show that mortality from prostate cancer fell after 1995 following a consistent rise in the 1980s and early 1990s.

The table presents international comparisons of the estimated incidence of prostate cancer around 1990 and of mortality around 1995.

Prostate cancer—EU countries and USA comparison

Country	*Incidence 1990 estimates* [1]	*Mortality c. 1995* [2]
Austria	42.7	17.5
Belgium	40.5	18.6
Denmark	33.5	20.4
Finland	43.4	18.0
France	39.2	15.5
Germany	37.5	17.0
Greece	12.7	9.3
Ireland	31.3	19.6
Italy	16.3	11.4
Luxembourg	38.2	15.2
Netherlands	41.8	19.6
Portugal	20.6	17.0
Spain	18.3	13.9
Sweden	59.9	21.7
United Kingdom	30.1	17.1
United States of America	95.1	16.3

[1] World Age Standardised Rate per 100,000
[2] Mortality data 1995, except Belgium (1992), Denmark (1993) and Italy (1993)
Note:
The estimated rate of incidence of prostate cancer in the United Kingdom is lower than the average of all European Union countries and less than a third of that in the United States of America. However, international comparisons should be treated with caution, as there is no guarantee that like is being compared to like. Varying identification, collection and collation procedures affect the comparability of the data.
Source:
Incidence—IARC [GLOBOCAN database]
Mortality—IARC [WHO DATABANK mortality database]

Struck-off Patients

Mr. Crausby: To ask the Secretary of State for Health how many patients have been struck off general practitioners' registers over the last two years. [99312]

Mr. Denham: The table shows the number of patients removed from their general practitioner's list because of an act or threat of violence, the number of patients transferred at the request of the GP and the total number of patients removed from GP lists (at request of GP).

England	*1 April 1996 to 31 March 1997*	*1 April 1997 to 31 March 1998*
Total number of patients removed from GP lists (at request of GP)[1]	83,275	84,316
Of which:		
Patients removed from GP lists because of act or threat of violence	1,081	1,100
Patients transferred at request of GP[1]	82,194	83,216

[1] Some health authorities include notification of a patient leaving the practice area ie not all removals at GP request are involuntary
Note:
The following health authorities did not report:
1996–97: North West Anglia, East and North Hertfordshire, Bromley, Isle of Wight
1997–98: Salford and Trafford
Source:
Department of Health—GMP Census Additional Data Collection

The Department, with the support of the profession, is presently conducting a survey into the scale of, and reasons behind, patients removals by GPs. Once the results are known, we will consider any further action that needs to be taken.

Waiting Times

Mr. Andrew George: To ask the Secretary of State for Health what plans he has to publish performance indicators of *(a)* consultants and *(b)* hospital departments in relation to patient waiting times for (i) first consultation and (ii) in-patient treatment. [98657]

Mr. Denham: The Department regularly publishes detailed information on waiting times for first out-patient appointments and in-patient waiting lists by National Health Service trust and consultant speciality. Information on waiting times for individual consultants is not collected centrally.

Mr. Andrew George: To ask the Secretary of State for Health what representations he has received regarding assessments of waiting times to see hospital consultants. [98658]

Mr. Denham: The Department regularly receives questions on the waiting time for a first outpatient appointment. Information on first outpatient appointments is collected and published on a quarterly basis.

Continence Services

Mr. Rendel: To ask the Secretary of State for Health how much was spent by the NHS in the last five years for which figures are available on *(a)* primary care continence services, *(b)* secondary continence care, *(c)* prolapse operations and *(d)* continence, related problems. [98654]

Mr. Hutton: Information on continence services is not available centrally. Local health authorities through primary care groups are responsible for commissioning continence services to meet the needs of their local population. The National Health Service Executive is reviewing continence service policy and plan to issue updated guidance shortly.

TRADE AND INDUSTRY

Ministerial Responsibilities

Mr. Gibb: To ask the Secretary of State for Trade and Industry if he will set out the respective ministerial responsibilities for the engineering profession and the engineering industry within his Department. [98622]

Mr. Byers: Responsibility for the engineering industries and the profession is shared by my hon. Friends the Minister for Small Business and E-Commerce and the Minister for Competitiveness.

Repression of Terrorism

Mr. Reed: To ask the Secretary of State for Trade and Industry if the list of equipment which might be used for internal repression of terrorism in Annex 1 of EC Council Regulation No. 2158/99 of 11 October regarding Indonesia will be used generally in respect of countries where there are human rights concerns. [98488]

Dr. Howells: The majority of items in Annex 1 to Council Regulation EC No. 2158/99 of 11 October 1999 are entered in Part III of Schedule 1 to the Export of Goods (Control) Order 1994, (EG(C)O or in Group 2 of Part I of Schedule 1 to the EG(C)O. Any application for a licence to export them would be assessed against the criteria announced by my right hon. Friend the Foreign Secretary on 28 July 1997, *Official Report*, columns 65–66W and the EU Code of Conduct on Arms Exports.

The export of the following items in the Annex is not generally subject to control whether from the UK or from other EU member states:

helmets not specially designed for military use

fingerprint equipment

power-controlled searchlights

hunting knives

construction equipment provided with ballistic protection not specially designed for military use

certain communications intercept devices

depending on the specification, some night vision and thermal imaging equipment

certain image intensifier tubes and solid state sensors.

Mortgage Advisers

Mr. Todd: To ask the Secretary of State for Trade and Industry what actions he will take to prevent mortgage advisers charging non-returnable arrangement fees on loans not proceeded with. [98747]

Dr. Howells: Under Section 155 of the Consumer Credit Act 1974, the excess over £5.00 of a fee or commission charged to an individual by a credit-broker ceases to be payable or becomes refundable if no credit agreement results from an introduction arranged by the broker within six months.

Mortgage advisers satisfy the definition of "credit broker" in the Act if they introduce mortgage lenders to people who want a mortgage to buy a home.

If a credit-broker did not comply with this provision, the Director General of Fair Trading would take this into account when considering the broker's fitness to hold a consumer credit licence. The Director General has shown that he is ready to revoke licences where he considers such action necessary to protect consumers.

Enterprise Grant Areas

Mr. Todd: To ask the Secretary of State for Trade and Industry if he has reached agreement with the European Commission on the definition of enterprise grant areas in England; and if he has defined aid measures to which these areas might be entitled. [98679]

Mr. Caborn: The definition of enterprise grant areas in England is not subject to Commission approval. We are however, currently seeking European Commission approval of the criteria for the Enterprise Grant Scheme in England due to start on 1 January 2000. Details will be published in the Scheme brochure which will be available from Government Offices and Business Links.

EU Exports

Dr. Whitehead: To ask the Secretary of State for Trade and Industry how many firms based in *(a)* Southampton, *(b)* Newcastle, *(c)* Hull, *(d)* Sheffield, *(e)* Rotherham, *(f)* Manchester, *(g)* Dover, *(h)* Bristol, *(i)* Bath, *(j)* Sunderland, *(k)* Birmingham and *(l)* Leicester exported goods and services to the EU; and what was the value of goods exported to the EU from each town or city. [98573]

Mr. Caborn: The information requested is not available in the form requested, and to do so would involve disproportionate cost.

Restraining Equipment

Ann Clwyd: To ask the Secretary of State for Trade and Industry if companies that export oversize handcuffs and other such restraining equipment are required to keep records of serial numbers, destinations and end-users as part of the export licensing process; and what reports he has received about the sale of leg cuffs, manufactured in the United Kingdom. [98536]

Dr. Howells *[holding answer 22 November 1999]:* I understand that under Regulation 9 of the Customs Traders (Account and Records) Regulations 1995, all exporters are required to maintain records of all exports made for a period of four years, whether or not an export licence was required.

I am of course aware of the reports concerned and my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs has already said that officials are pursuing the allegations concerned.

Ann Clwyd: To ask the Secretary of State for Trade and Industry if he will provide details of the export licences his Department has issued for the export of handcuffs listed in the two Annual reports on Strategic Export Controls. [98539]

Dr. Howells *[holding answer 22 November 1999]:* Inquiries are being made under the Code of Practice on Access to Government Information. As confidential information is involved, the parties concerned will be asked if they object to its disclosure and this can take some time. I will write to my hon. Friend as soon as possible, and place a copy of that letter in the Library of the House.

Ann Clwyd: To ask the Secretary of State for Trade and Industry what meetings there have been between officials from his Department and the Defence Manufacturers Association Export Licensing Group over the last two years; if these meetings discussed export licence controls relating to restraint equipment; and if he will publish the minutes of these meetings. [98537]

Dr. Howells *[holding answer 22 November 1999]:* Since 2 May 1997 there have been three meetings between officials of the Export Control Organisation and members of the Defence Manufacturers Association Export Licensing Group on 22 April and 23 November 1998 and 26 May 1999; another meeting is due to take place on 25 November. No formal minutes are taken by my officials, and the meetings provide an opportunity for the Association to discuss informally a broad range of procedural issues, principally matters relating to the introduction of the ELATE computer-based application form in March 1999 and organisational changes within the Export Control Organisation. The meetings are not intended to serve as a forum for the discussion of Government policy with respect to the export of particular goods or exports to particular destinations and there has not been any discussion of the ban on the export of leg irons and other equipment that has been used in torture announced by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on 28 July 1997, *Official Report,* columns 65–66W. It should also be noted that many applicants for export licences are of course members of the Defence Manufacturers Association and, as such, are from time to time in contact with officials in the Export Control Organisation about the progress of their applications.

Ann Clwyd: To ask the Secretary of State for Trade and Industry what exports there have been by *(a)* the Crown Agents and *(b)* other export licence exempt agencies of oversize cuffs, Big Brutus cuffs or jumbo cuffs since 1991. [98538]

Dr. Howells *[holding answer 22 November 1999]:* I refer my hon. Friend to the answer given to the hon. Member for Lewes (Mr. Baker) on 1 February 1999, *Official Report,* column 503W.

Ann Clwyd: To ask the Secretary of State for Trade and Industry if he will list the licences his Department has granted for the export of oversize cuffs, Big Brutus or Jumbo Cuffs since 1991; and if he will provide in each case details of the destinations, amounts, supplier companies and end-users. [98829]

Dr. Howells *[holding answer 22 November 1999]:* The export of handcuffs with a maximum overall dimension which when locked exceeds 240mm was made subject to control by the Export of Goods (Control) (Amendment Order 1992), which came into force on 9 March 1992.

As regards licences granted, inquiries are being made under the Code of Practice on Access to Government Information. As confidential information is involved, the parties concerned will be asked if they object to its disclosure and this can take some time. I will write to my hon. Friend as soon as possible, and place a copy of that letter in the Library of the House.

Office of Fair Trading

Dr. Cable: To ask the Secretary of State for Trade and Industry what are the exceptional public interest criteria that he applies when he overrides advice of the Office of Fair Trading in cases of reference to the Competition Commission. [98553]

Mr. Byers: I consider each merger case on its own merits. I refer a case to the Competition Commission when I consider that there are sufficient competition or other public interest concerns to warrant such a reference. In those few cases where I have come to a different conclusion than that recommended by the Director General of Fair Trading, I have given reasons in the Press Notice announcing my decisions.

Dr. Cable: To ask the Secretary of State for Trade and Industry in how many cases since 1 May 1997 he has *(a)* accepted and *(b)* not accepted the ruling of the Office

of Fair Trading; and if he will list the cases, indicating whether the ruling of the Office of Fair Trading was accepted or rejected. [98552]

Mr. Byers: The Office of Fair Trading does not make rulings on merger cases but provides advice.

Since May 1997, I and my predecessors have received advice from the Director General of Fair Trading as to whether to refer mergers to the Competition Commission (or the Monopolies and Mergers Commission) in relation to 496 cases, and we have acted in accordance with that advice in 489 of them. It is the function of the Director General of Fair Trading to give Ministers advice. The decision as to whether to refer is for Ministers.

I am placing in the Library of the House a list of all merger clearances and references that have been made in the last three years. For cases since 1 May 1997, I have indicated whether or not I (or my predecessors) acted in accordance with the advice of the Director General of Fair Trading.

Telecommunications

Dr. Cable: To ask the Secretary of State for Trade and Industry what representations he has received from *(a)* British Telecommunications and *(b)* BSkyB in relation to the proposed merger between NTL and Cable and Wireless Communications. [98554]

Mr. Byers: I have received no direct representations from either British Telecommunications or BSkyB concerning the proposed merger between NTL and Cable and Wireless Communications.

OFT received a number of representations on this case which informed the Director General of Fair Trading's advice to me.

Written Answers to Questions

Wednesday 24 November 1999

SOLICITOR-GENERAL

Crown Prosecution Service

Dr. Starkey: To ask the Solicitor-General if he will make a statement regarding the Code for Crown Prosecutors. [99859]

The Solicitor-General: The Code for Crown Prosecutors is issued by the Director of Public Prosecutions as required by section 10 of the Prosecution of Offences Act 1985. It is an important public document. It sets out the fundamental principles to be applied by Crown Prosecutors when deciding whether or not an individual should be prosecuted and, if a prosecution is to follow, what charges should be preferred. By applying the Code casework, decisions can be made fairly, consistently and independently. The current edition of the Code was published in June 1994.

Sir Iain Glidewell's review of the Crown Prosecution Service recommended an amendment of the Code for Crown Prosecutors. The current edition of the Code at paragraph 6.2 reads in part:

> "In cases of any seriousness, a prosecution will usually take place unless there are public interest factors tending against prosecution which clearly outweigh those tending in favour."

The Glidewell report concluded that the Code test should be applied in the same way to all cases, whatever their degree of seriousness. The report was concerned that the Code as drafted, if read literally, might incorrectly result in the Code being applied differently to cases which are not so serious. The Glidewell report therefore recommended that the words

> "In cases of any seriousness"

be removed from the relevant paragraph.

That recommendation has been accepted. On 26 August, the Crown Prosecution Service issued to CPS staff a notice putting that recommendation into immediate effect.

The Crown Prosecution Service, with appropriate consultation, is to review the Code for Crown Prosecutors to take account of the Human Rights Act 1998. Formal amendment to the Code, in accordance with the Glidewell recommendation, will be made when the Code is reissued after this review.

CULTURE, MEDIA AND SPORT

Licence Fees

Mr. Willetts: To ask the Secretary of State for Culture, Media and Sport if households comprising pensioners aged over 75 years living with adults of below pension age will be eligible for the free television licence announced in the pre-Budget statement. [99396]

Janet Anderson: Yes.

Children's Radio

Dr. Tonge: To ask the Secretary of State for Culture, Media and Sport what plans he has for the development of children's radio. [99215]

Janet Anderson: Decisions on programme content are for the broadcasters. However, Government policy is to ensure that both public service and independent broadcasters provide a range of high quality radio services which meet consumer needs. Under its Charter and Agreement, the BBC is committed to provide original programmes for children and young people as well as information, education and entertainment programmes which are of interest across the community. Similarly, it is open to independent radio licensees, regulated by the Radio Authority under the Broadcasting Acts, to offer programme formats which address the specific requirements of children and young people.

Admission Charges

Mr. Loughton: To ask the Secretary of State for Culture, Media and Sport what the Government's policy is regarding the introduction of admission charges at new national museums and galleries. [99172]

Mr. Alan Howarth *[holding answer 22 November 1999]:* Decisions on admission charges at new branches of national museums are principally a matter for the Trustees of the institution concerned. The Government encourage free entry where that is appropriate and affordable.

National Lottery (Hospices)

Mr. Ian Stewart: To ask the Secretary of State for Culture, Media and Sport which hospices have received National Lottery funding; and how many bids each of them had previously submitted for National Lottery funding. [99382]

Kate Hoey: According to the latest information from the distributors, a total of 88 lottery awards have been made to 75 hospices across the United Kingdom. The 75 successful grant recipient organisations submitted a total of 143 applications between them. These grant awards were made by the National Lottery Charities Board and the Arts Council of England. Details of the successful grant recipient organisations are as follows:

(i) National Lottery Charities Board: 81 awards worth £20,000,893 (see attached details)

(ii) Arts Council of England

	£
North Northumberland Day Hospice	5,000
Wakefield Hospice	4,540
The Princess Alice Hospice	2,250
Beaumont House Hospice	3,000
St. Cuthbert's Hospice	4,500
Woodlands Hospice	4,600
Children's Hospice for the Eastern Region	4,132
Total	28,022

None of the above seven successful organisations had previously applied for Lottery funding.

Lottery funding for organisations which support Hospices

In addition, the Arts Council of Wales (ACW) and the Millennium Commission have each awarded one Lottery grant to organisations which support hospices. The ACW awarded a grant worth £5,000 to "Voices for the Hospice", and the Millennium Commission awarded £1,348,708 to "Help the Hospices Millennium Awards" scheme. The latter is a UK-wide scheme which will offer 400 Awards to develop and enhance the skills and abilities of both existing, and new, volunteers involved in any sphere of the Hospice movement.

Hospices which have received awards and applications they have made

Name	*Applications*	*Awards*	*Award (£)*
Accord Hospice	4	2	538,424
Ardgowan Hospice Limited	2	2	875,947
Ashgate Hospice	1	1	13,750
Ayrshire Hospice	1	1	550,000
Barnsley Hospice Appeal Ltd.	2	1	862,503
Children's Hospice South West	2	1	127,167
Demelza House Childrens Hospice	3	1	195,000
Dove House Hospice	2	1	198,497
Dr. Kershaw's Hospice	2	1	12,000
East Kent Hospice Project	2	2	454,000
Fife Hospice Support Group	1	1	1,500
Friends of Swailand Hospice	2	1	73,980
Friends of the Children's Hospice South West	1	1	4,045
Harrogate District Hospice Limited	3	1	26,250
Help the Hospices xz	3	1	168,473
High Peak Hospice Care	2	1	86,458
Highland Hospice	2	2	391,448
Hope House Childrens Respite Hospice	1	1	184,183
Hospice at Home Volunteers	1	1	5,000
Hospice Care for Burnley and Pendle	1	1	391,363
Hospice Homecare Support Group, Northallerton and District	1	1	35,285
Hospice in Rossendale	3	1	69,817
Hospice in The Weald	3	1	145,000
Ian Rennie Hospice at Home	1	1	195,555
Isabel Hospice Limited	2	1	185,000
Katherine House Hospice	3	2	278,000
Myton Hamlet Hospice	3	1	291,064
N.H.C.T.—Developing Hospice Care in Kenya	1	1	65,169
Nat Council for Hospice and Specialist Palliative Care Service	1	1	51,920
Newry Hospice	2	1	206,922
North Devon Hospice Care Trust	3	3	616,836
North Northumberland Day Hospice	1	1	333,240
Northern Ireland Hospice	4	2	1,434,049
Prince and Princess of Wales Hospice	4	3	1,073,162
Queenscourt Hospice	3	1	30,540
Shropshire and Mid Wales Hospice	3	1	162,000
St. Ann's Hospice	1	1	441,223
St. Anne's Hospice	1	1	285,000
St. Barnabas Hospice Trust	1	1	471,000
St. Catherine's Hospice	2	1	40,344
St. Catherines Hospice Lancashire Ltd.	1	1	360,000
St. Christopher's Hospice	3	2	1,529,106
St. Clare West Essex Hospice Care Trust	1	1	112,500
St. Clare's Hospice	2	1	98,694
St. Cuthberts Hospice	2	1	160,000
St. Davids Hospice	2	1	250,000
St. Gemmas Hospice	1	1	1,000,000
St. Luke's Hospice Plymouth	3	1	223,000
St. Lukes Hospice (Harrow and Brent) Ltd.	2	1	148,000
St. Nicholas' Hospice (Suffolk)	3	1	170,000
St. Oswald's Hospice Ltd.	3	1	193,356
St. Peter's Hospice Ltd.	1	1	75,000
St. Vincent's Hospice Ltd.	3	2	650,017
Strathcarron Hospice	2	1	226,412
Teesside Hospice Care Foundation	3	1	674,776
The East Cheshire Hospice	3	1	200,000
The Hartlepool Hospice Limited	1	1	80,852
The Pasque Hospice	3	2	713,622
The Princess Alice Hospice	3	2	162,139
The South West Hertfordshire Hospice Charitable Trust	2	1	74,474
Trimar Christian Hospice Trust	3	1	90,000
Usk House Day Hospice	2	1	86,541

Hospices which have received awards and applications they have made

Name	*Applications*	*Awards*	*Award (£)*
Wakefield Hospice	1	1	103,000
West Norfolk Hospice Ltd.	1	1	106,343
Weston Hospicecare	1	1	303,808
Woodlands Hospice Charitable Trust	2	1	167,139
Totals	136	81	20,000,893

ENVIRONMENT, TRANSPORT AND THE REGIONS

Disability Discrimination Act 1995

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what is the proposed date for implementation of Section 37 of the Disability Discrimination Act 1995. [98631]

Ms Beverley Hughes: We are fully committed to implementing Section 37 at the earliest opportunity and intend to consult on the provisions by March next year.

Fluoridation

Mr. Crausby: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to replace the current Code of Practice on Technical Aspects of the Fluoridation of Water Supplies. [98666]

Mr. Mullin: None at present. In the White Paper, "Saving Lives: Our Healthier Nation", which was published on 6 July, the Government announced that they had commissioned an up-to-date, expert scientific review of the evidence on the fluoridation of water. The Government expect to receive the review report in March, and will not be considering any legislative changes until it is received. It is not proposed to update the Code of Practice ahead of the review report.

Transport Consultation Documents

Mr. Day: To ask the Secretary of State for the Environment, Transport and the Regions how many transport consultation documents have been issued since May 1997; and how many are currently in consultation. [98529]

Mr. Hill: We have issued 237 consultation papers with deadlines for responses since May 1997. Sixteen of these remain open.

Local Authority Planning

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what guidance his Department *(a)* gives and *(b)* proposes to give to local authorities on the basis for (i) the use of windfall calculations in residual requirements and (ii) the role of flexibility allowances in the preparation of structure plans. [98581]

Ms Beverley Hughes: The issues are currently dealt with in Annexes B and C of Planning Policy Guidance Note 3: Housing, issued in 1992. However, they are under review as part of the revision of PPG3.

Central Trains

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions how many complaints have been received each year by the Rail Regulator against Central Trains; and if he will make a statement. [98504]

Mr. Hill: The information is not available in the format requested. In 1998–99, the Rail Regulator received 2,321 complaints on a range of issues. However, as the Regulator does not have a formal role in dealing with complaints from rail passengers, complaints are not recorded against individual train operators.

Highway SSA

Mr. Paice: To ask the Secretary of State for the Environment, Transport and the Regions what the source is of the traffic figures used in calculating highway standard spending assessment; and what action he takes if they are disputed by the local authority concerned. [98723]

Ms Beverley Hughes: The traffic figures used in calculating the highway maintenance standard spending assessment are those that are provided by Highway Authorities or contractors on behalf of the Department for Environment, Transport and the Regions. Highway Authorities may sub-contract the work. The traffic figures proposed for use in the 2000–01 local government finance settlement are based on data relating to 1998 and earlier years. For Cambridgeshire in 1998 and earlier years, the County Council was contracted by the Department to provide the traffic figures.

All matters where authorities dispute the figures that are proposed for use in the calculation of standard spending assessments are investigated and the findings taken into account when final decisions are taken on the local government settlement. Authorities are advised of the relevant deadlines for making representations and the circumstances in which changes are usually made.

Air Quality

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning (i) low emission zones and (ii) the National Air Quality Strategy from *(a)* road haulage organisations, *(b)* motoring organisations and *(c)* motor manufacturers; and if he will make a statement. [99107]

Mr. Hill *[holding answer 22 November 1999]:* My Department has not received representations on low emission zones, as they are not a Government policy proposal. It is for local authorities, rather than central Government, to decide whether to implement such zones in order to improve local air quality.

We have received approximately 80 responses to the consultation draft of the Air Quality Strategy for England, Scotland, Wales and Northern Ireland which we published on 25 August. Most of these were from local authorities, but we did receive a response from The Society of Motor Manufacturers and Traders Limited (SMMT). Copies of the non-confidential responses received will be made available in the libraries of the Department of the Environment, Transport and the Regions, the National Assembly for Wales, the Scottish Executive and the Department of Environment (Northern Ireland). A list of responses will also be placed in the House Libraries when the final version of the Strategy is published in January next year. A summary of the responses will also be made available in January on the Department's Website. The objectives proposed in the draft Air Quality Strategy have also been discussed at meetings of the Air Quality Forum, at which the AA, SMMT and the Freight Transport Association were present.

Road transport is one of the major sources of air pollution, especially in our towns and cities. However, we have made clear within the Strategy and in our guidance to local authorities that the relative contribution of transport, and all other sectors, to the achievement of meeting the new air quality objectives has to be cost effective and proportionate.

Sites of Special Scientific Interest

Mr. Maclean: To ask the Secretary of State for the Environment, Transport and the Regions when he plans to introduce legislation to protect SSSIs; what plans he has to legislate for the protection of peat reserves; what plans he has to encourage the commercial production of peat alternatives; and if he will make a statement. [99228]

Mr. Meacher: The Countryside Amenity and Conservation Bill will be brought forward in the current session. The legislative proposals to provide better protection for SSSIs will benefit all sites, including those notified for their peatland interests. In addition, the best examples of those peatland sites will be designated under the EU Habitats and Birds Directives and Ramsar Convention, affording them additional protection. We will consider the commercial production of peat alternatives in the light of the findings of the Peat Working Group, which will be publishing its report shortly.

Leaseholders

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to introduce the system of commonhold for leaseholders in blocks of flats. [99217]

Mr. Mullin: As was announced in the Gracious Speech given on 17 November 1999, *Official Report*, columns 4–7, the Government will be publishing a draft joint Commonhold and Leasehold Reform Bill for consultation during this session. The Commonhold aspects of the draft Bill are the responsibility of my right hon. and learned Friend the Lord Chancellor.

Diabetics (Driving Licences)

Mr. Wigley: To ask the Secretary of State for the Environment, Transport and the Regions if he will review his policy on denying insulin-dependent diabetic sufferers occupational driving licences; and if he will take into account in doing so the current inquiry by the Science and Technology Committee. [99278]

Mr. Hill: The driving licence treatment of those with diabetes treated by insulin is based on European legislation—the Second Driving Licence Directive (91/439/EEC). This, and its predecessor Directive (80/1263/EEC), provided for licensing restrictions on those with insulin-treated diabetes, in particular in respect of driving heavier vehicles, based on risks associated with insulin treatment. I cannot anticipate the report of the Science and Technology Committee.

Heavy Goods Vehicles

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions on how many heavy goods vehicles Vehicle Excise Duty was paid in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 and *(d)* 1998–99. [99418]

Mr. Hill: Only the end of year detailed licensed stock figures are readily available; this is a good approximation to the number of vehicles for which Vehicle Excise Duty was paid in each of the given years. The number of heavy goods vehicles in Great Britain licensed at the end of each year was as follows:

	Number
1995	417,900
1996	420,600
1997	422,400
1998	421,200

Rail Safety

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what advice he has received from the Chief Inspector of Railways on the effectiveness of the railway safety regime in place since rail privatisation; and if he will list the relevant papers and place copies in the Library. [99313]

Mr. Hill *[holding answer 23 November 1999]:* The Health and Safety Commission, together with the Health and Safety Executive (of which the Railway Inspectorate forms a part) is the sole rail safety regulator and advises my right hon. Friend on rail safety.

Soon after the election, we made it clear that the HSC should bring forward whatever regulations they considered necessary to improve rail safety. Following public consultation, they recommended regulations to bring forward the elimination of slam-door rolling stock and install train protection systems across the network, which following signature by my right hon. Friend, were laid before Parliament in August this year.

In October this year the HSC sent my right hon. Friend interim advice on Railtrack's Safety and Standards Directorate.

Advice on the effectiveness of the railway safety regime is also included in the Chief Inspector of Railways' Annual Report on Railway Safety, and his provisional annual safety statistics.

All these documents are available in the Library.

Independent Safety Authority

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions (1) what estimate he has produced of the cost of establishing an independent safety authority covering maritime, rail and aviation sectors of transport; [99618]

(2) what plans he has to create an independent safety authority to cover road transport. [99619]

Mr. Hill: In response to recommendations from the Environment, Transport and Regional Affairs Select Committee, the Government are reviewing the principles which should govern how transport safety is regulated and accidents investigated. The review is looking, among other things, at the case for a new safety authority which would embrace all of the transport modes, including roads. If it is decided that there would be benefits, including for safety, in making changes to the present arrangements, the Government will consider the most cost effective way of implementing them.

Biodiversity Protocol

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what representations he is making to his counterparts in the EU concerning the enforcement of a Biodiversity Protocol to be discussed in Montreal next January. [99495]

Mr. Meacher: The UK and the EU are considering the concepts discussed at the informal consultations on the Biosafety Protocol held by the President of the Extraordinary Conference of the Parties (Ex-COP), Minister Mayr, in Vienna in September. I have put the UK views to my Ministerial colleagues at meetings of the Environment Council. The Environment Council is next due to discuss the Protocol and agree the framework for the negotiators at its meeting on December 13 and 14. The draft text of the protocol contains an article that the Parties to the Protocol would, at their first meeting, consider and approve cooperative procedures and institutional mechanisms to promote compliance with the provisions of the Protocol, and to address cases of non-compliance.

Local Government Finance

Ms Southworth: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the provisional local government finance settlement for 2000–2001. [99885]

Ms Armstrong: I will make a statement in the House tomorrow announcing the Government's proposals for the local government finance settlement 2000–2001.

Hammersmith and Fulham Executive Mayor

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions when he or any of his ministers last met the Executive Mayor of Hammersmith and Fulham; what the date was of that meeting; what was discussed at the meeting; and who else was present at the meeting. [98665]

Ms Beverley Hughes: My right hon. Friend the Minister for Local Government and the Regions met my hon. Friends the Members for Ealing, Acton and Shepherd's Bush (Mr. Soley), for Hammersmith and Fulham (Mr. Coleman) and for Northampton, North (Ms Keeble) on 4 November to discuss local government reform, including local government finance and the ongoing review of possible alternatives to Standard Spending Assessments, asylum seekers and homelessness, and how these relate to Hammersmith and Fulham. The Executive Mayor, the First Deputy and the Chief Executive of Hammersmith and Fulham also attended and took part in the discussions.

I apologise that this information was not included in the answer I gave to the hon. Member on 11 November 1999, *Official Report*, column *699*, in response to a similar question. The hon. Member will now know that I wrote to him on 17 November, as soon as the error became known, with the correct information and placed a copy of the letter in the Library of the House.

National Land Information Service

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress made in developing the National Land Information Service. [98746]

Jane Kennedy: I have been asked to reply.

Following a successful pilot of the National Land Information Service in Bristol, the project is now being prepared for full commercial exploitation. As a first step, the Local Government Information House, on behalf of HM Land Registry and the Improvement and Development Agency, is seeking a contractor to deliver services that will provide online access to Land Registry and local authority data. The Lord Chancellor launched the prospectus, calling for responses from organisations interested in supplying the new service, on 8 October 1999. Responses are now being evaluated and potential suppliers shortlisted.

This is a very exciting project that fully supports the "Modernising government" agenda. When implemented, it will facilitate faster and easier access to land information and make an important contribution to speeding up the house buying and selling process.

DEFENCE

Departmental Expenditure

Mr. Gerald Howarth: To ask the Secretary of State for Defence how much his Department has spent in *(a)* legal fees, *(b)* travel costs and *(c)* other expenses in opposing the application at the European Court of Human Rights by former servicemen and servicewomen challenging the ban on homosexuals joining Her Majesty's Forces. [98587]

Mr. Spellar: The Department has spent £25,000 in legal fees and approximately £1,000 in associated Departmental travel and subsistence costs in contesting the European Court of Human Rights application by homosexual ex-Service personnel.

Gulf War Syndrome

Mr. Kidney: To ask the Secretary of State for Defence in respect of how many service personnel the cause of illness sustained during the Gulf War campaign has still not been identified. [98580]

Mr. Spellar: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Saffron Sands

Mr. Hancock: To ask the Secretary of State for Defence how long the troops assigned to the Saffron Sands exercise will be in Jordan; and when they are expected to return. [99415]

Mr. Spellar: Exercise Saffron Sands 99 took place in Jordan between 26 September and 31 October 1999. All members of the battalion participating in the exercise were back in Cyprus by 3 November 1999.

East Timor

Mr. Hancock: To ask the Secretary of State for Defence how many United Kingdom soldiers are participating in the international peacekeeping force in East Timor. [99301]

Mr. Spellar: As at 22 November 1999, there were 275 British Service personnel serving with the international peacekeeping force in East Timor (INTERFET), consisting of 262 Army personnel—of which 218 are from 2nd Battalion Royal Gurkha Rifles—12 RAF personnel and one Royal Marine.

Indonesia

Mr. Hancock: To ask the Secretary of State for Defence how many Indonesian pilots have been trained in the UK in each of the last five years; and how this training has been funded. [99299]

Mr. Spellar: One Indonesian pilot attended a training course at RAF Valley in 1995, funded by the Ministry of Defence. No other training of Indonesian pilots has been carried out or funded by the MOD in the last five years. Training under commercial auspices is a matter for the companies concerned.

Columbia

Dr. Tonge: To ask the Secretary of State for Defence what military personnel assistance his Department provides to Colombia; and for what purposes. [99430]

Mr. Spellar *[holding answer 23 November 1999]:* UK military assistance is provided to Colombia to meet specific requests. Examples of training provided over the last ten years include Explosive Ordnance Disposal, search techniques and some assistance to the counter-narcotics authorities. In addition, advisory visits and information exchanges have taken place on operations in urban theatres, counter-guerrilla strategy, and psychiatry. Military assistance offered to the Colombians generally includes human rights elements.

External Consultants

Mr. Don Foster: To ask the Secretary of State for Defence what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99488]

Mr. Kilfoyle: This information cannot be provided since the Department no longer breaks down its expenditure against these categories.

Arms Exhibitions

Dr. Tonge: To ask the Secretary of State for Defence what was the nature of the assurance given by DSEI Ltd. that companies exhibiting at the Defence Systems and Equipment International exhibition would comply with the Government's policies and UK legislation; and what check was made to see that this was achieved. [99513]

Mr. Kilfoyle: The organisers agreed that all equipment on display at the exhibition (including promotional material) would comply with current HMG policy and that no equipment would be exhibited which the UK would not approve for export. MOD agreed to advise the organisers on the suitability of exhibits.

UK contractors were bound by the Handbook of Industrial Security and their exhibits were scrutinised by MOD staff for compliance. Overseas exhibitors, although not bound by the Handbook, were subject to spot checks by MOD staff to ensure hardware on display was compliant with Government policies and UK legislation.

Dr. Tonge: To ask the Secretary of State for Defence what checks and controls will be established for arms exhibitions held in the UK to ensure that exhibitors and organisers comply with the Landmines Act 1998. [99510]

Mr. Kilfoyle: Currently, there is no specific check for compliance with the Landmines Act 1998. However, anti-personnel landmines would be included as part of the normal spot check by MOD staff of all equipment on display. In addition, HM Customs and Excise routinely check all equipment imported into the country to ensure compliance with UK legislation, including the Landmines Act.

Participation at any UK defence exhibitions is conditional on compliance with UK law, which includes the Landmines Act.

Regarding checks of exhibits at UK defence exhibitions, UK contractors are scrutinised for compliance against the Handbook of Industrial Security. Overseas contractors are not bound by the Handbook of Industrial Security but have to comply with the organisers' requirements, which make compliance with UK law mandatory, and are subject to spot checks by MOD staff.

These procedures will be reviewed for future UK defence exhibitions.

Dr. Tonge: To ask the Secretary of State for Defence when he expects his Department's police investigation into alleged sales of anti-personnel mines at the Defence Systems and Equipment International Exhibition in Chertsey, Surrey, to be completed. [99512]

Mr. Kilfoyle: The Ministry of Defence Police are investigating allegations that a Romanian company advertised the sale of anti-personnel mines at the Defence Systems and Equipment International Exhibition held at

Chertsey in September 1999. I understand that the investigations are nearing completion at which point a file will be submitted to the Crown Prosecution Service.

Dr. Tonge: To ask the Secretary of State for Defence what checks were made of products for sale at Defence Systems and Equipment International for compliance with the Landmines Act 1998; and who was responsible for carrying out such checks. [99511]

Mr. Kilfoyle: Participation at Defence Systems and Equipment International was conditional on compliance with UK law, including compliance with the Landmines Act 1998.

In addition to checks by HM Customs & Excise to ensure that no prohibited equipment, including anti-personnel landmines, was imported into the UK, all exhibits at DSEI by UK companies were subject to the provisions of the UK Handbook on Industrial Security and were scrutinised by MOD staff for compliance. Exhibits by overseas companies, although not bound by the provisions of the Handbook, were subject to spot checks by MOD staff to ensure that hardware on display was compliant with Government policies and UK legislation. No anti-personnel landmine equipment was observed.

AGRICULTURE, FISHERIES AND FOOD

Forestry Commission

Mr. Hoyle: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to amend the Forestry Commission's Departmental Expenditure Limit for 1999–2000. [99886]

Mr. Morley: Subject to Parliamentary approval of the necessary Supplementary Estimate for Class X, Vote 3 (Forestry Commission) the Forestry Commission's Departmental Expenditure Limit for 1999–2000 will be increased by £7,5000,000 from £68,615,000 to £76,115,000. The increase is the net effect of the fall in receipts from sales of timber, offset by savings in expenditure.

The increase will be a charge on the Departmental Expenditure Limit Reserve and will not therefore add to the planned total of public expenditure.

Fisheries Council

Mr. Hood: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Fisheries Council held in Brussels on 22 November; and if he will make a statement. [99748]

Mr. Morley: The Fisheries Council met in Brussels on 22 November. I led the UK delegation, accompanied by my hon. Friend the Member for East Lothian (Mr. Home Robertson), Deputy Minister for Rural Affairs in the Scottish Executive.

The Council agreed a regulation for financial aid to fisheries under the reformed EU Structural Funds, which provides for seven year funding programmes and sets conditions for payments. Grants for renewal and modernisation of the fleet may be paid only if the member state has met its overall fleet capacity (MAGP IV) limits. Where the relevant segment of the fleet exceeds its capacity target, the member state must withdraw 30 per cent. more vessel capacity than is grant aided. While these new controls are not as rigorous as I would have wished, they are a welcome innovation, establishing the important principle that grant aid should contribute towards improving the balance between fish resources and the capacity of members states' fleets. There will be a review in 2001 providing an opportunity to make any changes necessary as a result of decisions at the expiry of MAGP IV.

The Council reached a political agreement on a reform of the fisheries marketing regime subject to the opinion of the European Parliament. The new regulation will provide lower tariffs for imports of fish which are important for our processing industry, while recognising the need to protect the interests of our catching industry in the import terms for sensitive species such as herring and cod and more generally by including provision to deal with serious market disturbance. After a transitional period it will reduce the costs of the regime.

The Council received a presentation on a draft Regulation to establish a Community framework for the collection and management of data needed to conduct the Common Fisheries Policy. This will return to the Council after detailed examination. The Commission reported that on 20 December there would be a meeting with the Moroccan Minister of Fisheries to take forward the EU:Morocco negotiations. There was an initial discussion of means of implementation of the new control arrangements adopted by the North East Atlantic Fisheries Commission; arrangements for 2000 will be considered at the next meeting of the Council on 16 and 17 December.

Beef Ban

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food what progress has been made on lifting the French ban on United Kingdom beef imports. [100163]

Mr. Nick Brown: Discussions between the European Commission, the UK and France, have resulted in a document which will allow the French government to review its decision not to lift the ban on UK beef. This document has been referred to France's food safety advisory body, the AFSSA, by the French government.

I have placed copies of the document in the Libraries of the House.

Hill Livestock Compensatory Allowances

Mr. Tom King: To ask the Minister of Agriculture, Fisheries and Food what estimate has been made by his Department of the likely value of the hill farm allowance scheme for the South West Region on his present proposals; and how much he estimates the hill livestock compensatory allowances will be in the current year. [98604]

Ms Quin *[holding answer 22 November 1999]:* HLCA payments in MAFF's South West Region (Devon, Cornwall and the Isles of Scilly) in the current year (1999) will total around £6.27 million, over 14 per cent. of the total for England. These figures include a proportionate share of the extra £60 million (approximately £15.27 million in England), which we have announced will also be available in the year 2000. The proposals for Hill Farm

Allowances which we published on 3 December will help maintain upland rural communities and preserve upland environments through sustainable beef and sheep production. There will be some impact on the amounts individual farmers receive, but the proposals have been designed to allow farmers time to adapt. We have made no estimate of any regional differences in the impact of the proposals.

HOME DEPARTMENT

Drug-related Crime

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department what proportion of the Merseyside Police Authority's budget has been spent on investigating drug-related crime and on preventing drug-related crime in each year since 1995. [99433]

Mr. Charles Clarke *[holding answer 23 November 1999]:* A breakdown of Merseyside Police expenditure in the form requested is not available.

Operation Care

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department how many investigations similar to Operation Care are being undertaken in the United Kingdom. [99431]

Mr. Charles Clarke *[holding answer 23 November 1999]:* A recent survey of police forces conducted by the Association of Chief Police Officers indicated that 32 forces have carried out investigations into institutional child abuse.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department of the individuals convicted as a result of Operation Care, how many have made applications to the Court of Appeal or the Crown Court. [99100]

Mr. Charles Clarke: I understand that there have to date been no appeals against conviction by individuals convicted as a result of Operation Care. There have been three appeals against sentence, of which two were successful and one was unsuccessful.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department how many individuals have brought complaints against more than one person in Operation Care. [98684]

Mr. Charles Clarke: The number of multiple allegations covered by the Operation Care investigation made by one complainant against a number of persons is not readily available. I will provide further information when it has been collated.

Victims' Compensation

Jackie Ballard: To ask the Secretary of State for the Home Department when he will assess the responses to the consultation on the paper, Compensation for Victims of Violent Crime. [98678]

Mr. Charles Clarke: We have completed a preliminary analysis of the responses to the consultation exercise, but need to undertake further work before we will be in a position to say how we plan to take matters forward. We hope to be able to announce our intentions fairly early in the new year.

Criminal Injuries

Jackie Ballard: To ask the Secretary of State for the Home Department when he plans to review the guidelines for the Criminal Injuries Compensation Scheme in the light of Article 14 of the European Convention on Human Rights. [98677]

Mr. Charles Clarke: The implications for the Scheme of Article 14 of the European Convention on Human Rights are being considered along with the Government's consideration of the responses to the recent consultation exercise.

Mr. Dismore: To ask the Secretary of State for the Home Department what steps the Criminal Injuries Compensation Authority will take to ensure guidance is consistent on the treatment of calculation of loss of pension; and if he will make a statement. [98483]

Mr. Charles Clarke: The administration and interpretation of the Criminal Injuries Compensation Scheme is a matter for the Criminal Injuries Compensation Authority (CICA) and the Criminal Injuries Compensation Appeals Panel (CICAP). I understand the Authority is drawing up a revised guidance for caseworkers and claims officers about the treatment of loss of pension.

Mr. Dismore: To ask the Secretary of State for the Home Department what arrangements will be put in place to ensure old Criminal Injuries Compensation Board cases are considered by legally qualified persons after the CICB ceases to exist next year; and if he will make a statement. [98485]

Mr. Charles Clarke: Under the transitional provisions of the 1996 Scheme, made under powers conferred by the Criminal Injuries Compensation Act 1995, any 1990 Scheme cases outstanding when the Criminal Injuries Compensation Board (CICB) is wound up ('the transfer date') will be transferred to the Criminal Injuries Compensation Authority (CICA) for resolution by legally qualified members of the Criminal Injuries Compensation Appeals Panel (CICAP) in accordance with the terms of the 1990 Scheme. The transfer date is likely to be 1 April 2000.

The Panel already contains many legally qualified members who will be able to deal with 1990 Scheme cases. Many of them are also members of the Board. The Panel's strength is likely to be doubled next year when new appointments are made as a result of a major new recruitment exercise set in hand in October. Many of the new appointees will be lawyers. Additionally, a number of Board members, who are not already members of the Panel, are being invited to join the Panel from the transfer date specifically to deal with residual 1990 Scheme cases.

Mr. Dismore: To ask the Secretary of State for the Home Department when the Criminal Injuries Compensation Authority will issue guidance on the justified exceptional risk rule; and if he will make a statement. [98482]

Mr. Charles Clarke: The administration and interpretation of the Criminal Injuries Compensation Scheme is a matter for the Criminal Injuries Compensation Authority (CICA) and the Criminal Injuries Compensation Appeals Panel (CICAP). Some guidance on the interpretation of the exceptional risk rule is given in the Guide to the Scheme issued by CICA. The Authority will consider whether further guidance would be helpful.

Domestic Violence

Mr. Cox: To ask the Secretary of State for the Home Department what financial aid was given by his Department in the last 12 months to organisations that assist victims of domestic violence. [98453]

Mr. Boateng: The Home Office has lead responsibility for violence against women, the Government's plans set out in "Living Without Fear" and the co-ordination of policy against domestic violence. But most central Government funding for the victims of domestic violence remains channelled through budgets which reflect the responsibilities of other Departments or local agencies.

The Home Office is increasing the funding of Victim Support, which supports all victims of crime, including those who have experienced domestic violence, from £12.7 million in 1998 to £19 million by 2001. In addition, at least £6 million is being made available from the Crime Reduction Programme for projects addressing domestic violence, rape and sexual assault.

Young Offenders

Mr. Crausby: To ask the Secretary of State for the Home Department what plans he has to review the training of prison officers in order to combat bullying in young offenders centres. [98674]

Mr. Boateng: The initial training course for new prison officers has recently been reviewed, and now includes additional specific training for those who will work with young people. The training covers the Prison Service's anti-bullying policy and the standards expected of prison officers as well as the particular requirements for work with the young.

The service has also developed an anti-bullying training programme for delivery locally in prison establishments which will be available early in the new year.

Mr. Webb: To ask the Secretary of State for the Home Department if he will list the rates of *(a)* suicide and *(b)* self-harm for each young offenders' institution in each of the last five years. [98478]

Mr. Boateng: The information requested is given in the tables.

	Rates of self-inflicted deaths per 1,000 population				
Young offender institutions	*1994*	*1995*	*1996*	*1997*	*1998*
Aylesbury	0	5	0	7	0
Castington	0	0	0	0	0
Deerbolt	0	0	0	0	0
Dover	0	3	0	3	0
Feltham	0	0	1	2	0
Glen Parva	0	0	2	1	2
Guys Marsh	0	0	0	0	0
Hatfield	0	0	0	0	0
Huntercombe	0	0	0	0	0
Onley	0	0	0	0	0
Portland	3	0	2	0	0
Reading	0	0	0	0	14
Stoke Heath	0	0	0	0	0
Swinfen Hall	0	0	10	5	0
Thorn Cross	0	0	0	0	0
Wetherby	0	0	0	0	0

	Rates of self-harm per 1,000 population				
Young offender institutions	*1994–95*	*1995–96*	*1996–97*	*1997–98*	*1998–99*
Aylesbury	140	96	79	106	226
Castington	88	42	44	42	69
Deerbolt	427	418	278	205	200
Dover	62	27	30	33	23
Feltham	129	639	284	327	330
Glen Parva	102	108	93	155	143
Guys Marsh	52	66	73	82	63
Hatfield	16	0	25	7	13
Huntercombe	91	52	25	69	27
Onley	75	222	96	137	125
Portland	98	59	61	30	60
Reading	345	290	333	314	174
Stoke Heath	201	221	159	162	191
Swinfen Hall	33	44	168	64	31
Thorn Cross	11	54	13	4	0
Wetherby	286	358	441	103	131

Notes:

1. Establishments have been listed according to their primary role, thus a number of other prisons that hold young offenders (e.g. male remand centres) are not shown.
2. Not all self-inflicted deaths conclude with a verdict of suicide.
3. Incidents do not equate to numbers of prisoners as an individual prisoner may self-harm more than once.
4. Self-harm data are derived from information provided by establishments to the Prison Service's Directorate of Health Care.

HMP Woodhill

Mr. Hesford: To ask the Secretary of State for the Home Department what is the general regime at the high-security disruptive prisoner unit at HMP Woodhill; and whether there are facilities, including treatment facilities, for prisoners detained in that unit who have significant mental health problems. [98449]

Mr. Boateng: There are three close supervision centres (CSCs) in Woodhill prison offering restricted, structured and intervention regimes. These provide a co-ordinated range of regimes to manage seriously disruptive prisoners. The regimes aim to facilitate change and encourage improved behaviour.

Prison doctors are encouraged to identify prisoners who need to be detained for medical treatment for mental disorder and to initiate action to effect their transfer to a suitable facility under the provisions of the Mental Health Act 1983.

There are no specific facilities for prisoners at Woodhill who have significant mental health problems. However, there is a CSC support centre at Durham prison for prisoners who may benefit from psychological support with psychiatric advice where appropriate.

Police Funding

Mr. Nigel Jones: To ask the Secretary of State for the Home Department what his reasons were for not changing the formula for police funding relating to sparsity factor. [99055]

Mr. Charles Clarke: The findings of the independent research report on policing sparsely populated rural areas were considered by a Home Office chaired Working Group, which included representatives of the police service, police authorities and local authorities, in the summer. There was no single view within the Working Group on the conclusions of the report. There was general agreement that a scarcity factor had been detected, but less agreement about how to include it appropriately in the police funding formula.

We have also taken into consideration the need for stability in the police funding system to enable police authorities to plan ahead. In the July 1998 White Paper, "Modern Local Government—In Touch With the People", my right hon. Friend the Deputy Prime Minister said that we would not expect to make fresh changes to the method of calculation of Standard Spending Assessments (SSAs) whilst a fundamental review of the SSA system across local government is conducted. This applies equally to the method of police grant distribution, as a common formula is used for distribution of police grant and SSA.

In the light of these factors our present intention is that, subject to consultation and parliamentary approval, we shall not make any changes to the method of police grant distribution for 2000–01. We do not therefore propose to make any substantive changes to the operation of the police funding formula for next year.

Rural police forces will continue to benefit from the existing 'scarcity' element of the funding formula. This element allocates 0.5 per cent. of the available funding (about £35 million) on a judgmental basis.

Mr. Nigel Jones: To ask the Secretary of State for the Home Department if he will assess the impact of his funding policies on the number of police officers there will be in Gloucestershire in the financial year 2000–01; and how many additional police officers he estimates there will be in Gloucestershire in 2000–01. [99056]

Mr. Charles Clarke: The powers of my right hon. Friend the Home Secretary to set police establishment levels for each force were removed under the Police and Magistrates' Courts Act 1994. It is for the chief officer to determine staffing levels within the overall resources available. We will be announcing shortly the proposed funding allocations for police authorities in England and Wales for 2000–01.

In addition, the Government are making available additional resources, in a new ring-fenced Crime Fighting Fund, to enable the police to recruit 5,000 more officers, over and above the number that would otherwise have been recruited over the next three years.

Mrs. Lawrence: To ask the Secretary of State for the Home Department when he will publish his recommendations following the Home Office Working Group report on additional costs associated with the policing of sparsely populated rural areas. [98586]

Mr. Charles Clarke: The findings of the independent research report on policing sparsely populated rural areas were considered by a Home Office chaired Working Group, which included representatives of the police service, police authorities and local authorities, in the summer. There was no single view within the Working Group on the conclusions of the report. There was general agreement that a sparsity factor had been detected, but less agreement about how to include it appropriately in the police funding formula.

We have also taken into account the need for stability in the police funding system to enable police authorities to plan ahead. In the July 1998 White Paper, "Modern Local Government—In Touch with the People", my right hon. Friend the Deputy Prime Minister said that we would not expect to make fresh changes to the method of calculation of Standard Spending Assessments (SSAs) while a fundamental review of the SSA system across local government is conducted. This applies equally to the method of police grant distribution, as a common formula is used for distribution of police grant and SSA.

Rural police forces will continue to benefit from the existing 'sparsity' element in the funding formula. This element allocates 0.5 per cent. of the available funding (about £35 million) on a judgmental basis.

Our present intention is that, subject to consultation and approval by the House, we shall not make any changes to the method of police grant distribution for 2000–01. We do not therefore propose to make any substantive changes to the operation of the police funding formula for next year.

Handcuffs

Ann Clwyd: To ask the Secretary of State for the Home Department if the UK police or prison services use oversize cuffs; and what research and policy guidelines the Police Scientific Development Branch has issued on the standards of handcuffs, oversize cuffs and other restraining equipment. [98540]

Mr. Charles Clarke *[holding answer 22 November 1999]:* The purchase of handcuffs and other equipment is an operational matter for chief officers of police. I understand that the handcuffs normally in use are rigid speedcuffs, sometimes known as quick-cuffs. The Police Scientific Development Branch has not issued guidelines on standards for handcuffs or other restraining equipment, but guidelines on the use of handcuffs has been issued by the Association of Chief Police Officers.

I understand that each Prison Service establishment in England and Wales is issued with two sets of oversize cuffs for use as necessary with prisoners with exceptionally large wrists.

British Summer Time

Mr. Kidney: To ask the Secretary of State for the Home Department what assessment he has made of the advantages of abandoning British summer time in England and Wales. [98582]

Mr. Mike O'Brien: The advantages of maintaining British summer time in the winter in terms of increasing the amount of afternoon daylight would be offset by the equivalent loss of morning daylight, which would have

added impact for the northern areas of England as well as for Scotland. The issues remain as set out in a consultation document published by the Home Office in 1989.

Burglary Prevention

Mr. Luff: To ask the Secretary of State for the Home Department what proposals he has to make it easier for individuals to use reasonable force to prevent burglars entering their property or removing items from it. [98490]

Mr. Charles Clarke: Section 3 of the Criminal Law Act 1967 provides that a person may use such force as is reasonable in the circumstances in the prevention of crime. I have no plans to amend that legislation.

Passport Agency

Mr. Fearn: To ask the Secretary of State for the Home Department what representations he has received from the Passport Agency concerning changes to the fees it charges to the general public. [99383]

Mrs. Roche: Passport fees are reviewed on an annual basis and a number of options regarding fee levels for this year have been submitted for consideration.

Trial by Jury

Mr. Lidington: To ask the Secretary of State for the Home Department (1) if he will place in the Library the conclusions of his consideration of the financial implications of the Government's proposals to change the right of defendants to elect trial by jury; [99059]

(2) what estimate he has made of the net cost savings which will be made if the Government's proposals to limit the right to elect for trial by jury were implemented. [98760]

Mr. Charles Clarke *[holding answer 22 November 1999]:* It is estimated that around 12,000 fewer defendants will be tried in the Crown Court annually. These defendants would instead be tried in magistrates' courts. We estimate that the savings to the criminal justice system will be £105 million, taking into account the costs of appeals against the magistrates' decision.

Exclusion Orders

Fiona Mactaggart: To ask the Secretary of State for the Home Department how many exclusion orders have been made under paragraph 320(6) of the Immigration Rules for each nationality, in each of the past five years; and how many people have *(a)* successfully and *(b)* unsuccessfully contested such exclusion orders. [99411]

Mrs. Roche: The number of persons excluded in each of the past five years is given in the table. This includes both those refused under paragraph 320(6) of the Immigration Rules and those excluded from the United Kingdom where my right hon. Friend the Home Secretary, has reason to believe they intend to travel to this country.

	1995	*1996*	*1997*	*1998*	*1999*[1]
Canada	—	—	6	—	—
Libya	3	—	5	4	4
Egypt	—	—	—	2	4
Russia	11	9	2	13	6
Iraq	—	2	2	1	—
Iran	5	—	1	—	1
Algeria	—	—	2	—	2
Former Republic of Yugoslavia	—	—	—	—	3
India	—	1	3	1	1
Pakistan	2	5	4	2	—
Sri Lanka	—	—	2	—	3
Other[2]	19	5	6	2	2
Total	40	22	33	25	26

[1] 1999 to date
[2] Includes various other nationalities and those of doubtful nationality

The law currently in force provides a right of appeal against exclusion decisions in only a limited range of cases, and such appeals are to the Special Immigration Appeals Commission. No such appeals have so far been heard.

There is one recorded challenge of an exclusion decision by judicial review, in the case of the Reverend Moon, which did not quash the decision but found that the Reverend Moon should have been given an opportunity to respond to the reasons for excluding him.

Police (Chelmsford)

Mr. Burns: To ask the Secretary of State for the Home Department (1) how many police officers are stationed for duty in *(a)* Chelmsford town and *(b)* West Chelmsford parliamentary constituency; and how many there were in 1996–97; [98518]

(2) what proposals he has to *(a)* increase or *(b)* decrease the number of police officers stationed for duty in (i) Chelmsford town and (ii) West Chelmsford parliamentary constituency. [98519]

Mr. Charles Clarke *[holding answer 22 November 1999]:* I understand from the chief constable that there are 103 police officers stationed at Chelmsford and Moulsham police stations who are directly involved with the policing of Chelmsford Town. This section is also responsible for the policing of a number of villages around Chelmsford. The chief constable is unable to provide figures for 1996–97 or in respect of the area covered by the West Chelmsford parliamentary constituency.

The powers of my right hon. Friend, the Home Secretary, to set police establishment levels for each force were removed under the Police and Magistrates' Courts Act 1994. It is for the chief officer to determine staffing levels and deployment within the overall resources available. We will be announcing shortly the proposed funding allocations for police authorities in England and Wales for 2000–01.

INTERNATIONAL DEVELOPMENT

Target Setting

Mr. Don Foster: To ask the Secretary of State for International Development how many targets have been agreed between her Department and (i) local authorities and (ii) other bodies apart from her own agencies and non-departmental bodies since May 1997. [99471]

Clare Short: My Department has adopted a series of International Development Targets which are set out in the Government's White Paper on International Development. These targets have been drawn from the major UN conferences of the last decade and provide the basis for this Government's results orientated approach to development.

Working for the achievement of these International Development Targets, which have been endorsed by Governments across the world, bilateral and multilateral development organisations and NGOs, is central to the Department for International Development's work.

Individual targets have not been agreed with local authorities or other bodies in this country.

NGOs

Mr. Cox: To ask the Secretary of State for International Development what is the policy of her Department on consulting NGOs when considering giving financial aid and assistance to countries. [98442]

Clare Short: Our policies for the reduction of poverty, our principal objective, are set out in the Country Strategy Papers. These papers are produced through a process of consultation which includes local NGOs and UK NGOs as well as the country's government, the research community and the private sector. The papers are available in the Library of the House and are also available to the public in the UK and in the country concerned.

Angola

Mr. Pike: To ask the Secretary of State for International Development what further commitments Her Majesty's Government plans to support rehabilitation and development in Angola; and what is Her Majesty's Government's policy with regard to the provision of rehabilitation and development assistance to Angola. [99154]

Clare Short: Our major commitment to rehabilitation is the Luanda Urban Poverty Programme, which started earlier this year. We are working through iNGOs to tackle the needs and priorities of the urban poor in Luanda. The political and military situation makes development work impossible. We are therefore focusing on the provision of humanitarian assistance.

Mr. Pike: To ask the Secretary of State for International Development what is the current shortfall for the United Nations 1999 Consolidated inter-Agency Appeal for Angola. [99150]

Clare Short: The requirement in the revised United Nations 1999 Consolidated inter-Agency Appeal for Angola stands at $110,840,321. As of October 1999, total funds available amounted to US$82,127,986.

Mr. Pike: To ask the Secretary of State for International Development what further commitments Her Majesty's Government plans to make to the United Nations 1999 Consolidated Inter-Agency Appeal for Angola. [99152]

Clare Short: We are considering our response to the UN's recently published 2000 Consolidated Inter-Agency Appeal for Angola.

Mr. Pike: To ask the Secretary of State for International Development what funds or other resources Her Majesty's Government have contributed to emergency assistance outside the United Nations 1999 Consolidated Inter-Agency Appeal for Angola. [99151]

Clare Short: We have committed £1.8 million through international non-governmental organisations and the International Committee of the Red Cross in 1999 for their work in Angola.

Mr. Pike: To ask the Secretary of State for International Development what funds have been allocated to rehabilitation and development in Angola in each of the last five years, broken down by major programme. [99153]

Clare Short: Total UK Bilateral Assistance to Angola in each of the last five years is as follows:

Expenditure £ million

Financial year	*Development aid*	*Humanitarian assistance (non-food)*	*(food-aid)*	*Total*
1994–95	0.7	6.9	1.3	8.9
1995–96	1.8	6.6	4.5	12.9
1996–97	3.9	2.5	3.4	9.8
1997–98	3.6	1.5	0.0	5.1
1998–99	2.0	2.5	0.0	4.5
Total 1994–99	12.0	20.0	9.2	41.2

The line for development aid includes assistance to the "Health Transition Project", where we provided support in the health sector through international non-governmental organisations (iNGOs) and the World Health Organisation; support to Save the Children Fund for the provision of seeds and tools; community level projects through iNGOs and an English Language Training programme. Earlier this year we started the Luanda Urban Poverty programme in which we are working through iNGOs to tackle the needs and priorities of the urban poor in Luanda.

Mr. Pike: To ask the Secretary of State for International Development what funds or other resources Her Majesty's Government have *(a)* pledged and *(b)* disbursed to the United Nations 1999 Consolidated Inter-Agency Appeal for Angola by (i) appealing organisation and (ii) sector; and if she will make a statement. [99149]

Clare Short: The Department for International Development has: *(a)* pledged a total of £2,021,000 to the United Nations 1999 Consolidated Inter-Agency Appeal for Angola, of which; *(b)* £900,000 has been disbursed.

In addition we are providing US$6 million (about £3.75 million) for food aid through the World Food Programme.

We have made contributions to the following organisations.

Organisation	Appeal number	Pledged (£)	Disbursed (£)
Office for the Co-ordination of Humanitarian Affairs (OCHA)	ANG-99-1/N01	200,000	200,000
OCHA Emergency Response Fund (ERF)	ANG-99-1/N03	350,000	350,000
World Food Programme (WFP)	ANG-99-1/N05	200,000	200,000
United Nations Children's Fund (UNICEF)	ANG-99-1/N07	150,000	150,000
OCHA ERF	ANG-99-1/N03	[1]150,000	
WFP	ANG-99-1/N05	[1]150,000	
WFP	ANG-99-1/N08	[1]150,000	
UNICEF	ANG-99-1/N07	[1]200,000	
World Health Organisation (WHO)	ANG-99-1/N09 ANG-99-1/N10 ANG-99-1/N11	[1]321,000	
Allocation under discussion with OCHA/humanitarian Assistance Co-ordinating Unit, Angola (UCAH)		150,000	
Total		2,021,000	900,000

[1] Awaiting funding agreement to be signed

The actual and proposed contributions fall under the following sectors (as designated by the United Nations in the 1999 Consolidated Appeal):

Sector	Appeal number	Amount (£)	Percentage of total proposed contribution
Co-ordination and Support Services	ANG-99-1/N01 ANG-99-1/N03 ANG-99-1/N05	1,050,000	51
Health, Nutrition, Non-Food items, Water and Sanitation	ANG-99-1/N07 ANG-99-1/N08 ANG-99-1/N09 ANG-99-1/N10 ANG-99-1/N11	871,000	42
To be allocated		150,000	7

Development Council

Mr. Hood: To ask the Secretary of State for International Development what was the outcome of the Development Council held in Brussels on 11 November; and if he will make a statement. [98508]

Clare Short: Poul Nielson, the Commissioner for Development and Humanitarian Aid, addressed the Council for the first time. He set out five priorities for future EC development co-operation: increased focus on the poorest countries; improved effectiveness of EC assistance; greater complementarity with the work of other donors and greater coherence with other EC policies; better linkages between emergency aid, rehabilitation and development; and building greater public support for EC assistance.

The Council then discussed forestry, climate change and the integration of environmental issues into EC development policies. The UK stressed the need to focus on the International Development Target for the environment and to engage developing countries in the environmental agenda. The UK stated that the poor, who were dependent on environmental resources, should be placed at the centre of the discussion, and that this would help to build developing country support. The Commission said it would provide more environmental training for its staff. The Council adopted a resolution on forestry, conclusions on climate change and a report on environmental integration. The conclusions include a call on the Commission to prepare a strategy to integrate the environment into development co-operation. The Helsinki European Council in December will make an overall assessment of progress in integrating the environment into EC policies, as requested by the Vienna European Council last year.

Next, the Council discussed progress in the ACP-EU negotiations on a successor to the current Lomé Convention, which expires on 29 February 2000. Most member states, including the UK, favoured a compromise suggested by the Commission on how to raise the profile of good governance in the new Convention. All member states except Spain supported agreement based on a Presidency non-paper on trade, which would ensure that ACP countries retained, at the very least, their current levels of access to EU markets. This is a key UK concern. The UK stressed the importance of ensuring that the agreement on trade would be granted a WTO waiver. Following a request from the UK, the Commission undertook to bring forward proposals to meet the commitment to improve duty free access for the least developed countries by the end of the next Trade Round. There was a discussion of the ninth European Development Fund (EDF9), which will fund the new Convention. The UK pointed out that evaluations had shown the poor quality of past EDFs, and called for specific proposals for improvement to be brought forward next year. Discussions will continue at a meeting between ACP and EU Ministers on 7–8 December.

The Council adopted conclusions on East Timor which invited the Commission to respond in an appropriate and timely manner to the United Nations Consolidated Inter-Agency Appeal for the East Timor crisis; and to present, as soon as possible, a detailed programme of assistance to support the reconstruction of East Timor.

The Council then discussed the evaluation of EC development programmes. The Commission said that it would soon produce a detailed Action Plan for the implementation of the recommendations of the global

evaluation of EC aid and the Council conclusions on evaluation of May 1999. The Commission outlined its plan for improving the effectiveness of EC aid, which included improving and simplifying procedures, and introducing a more rigorous monitoring system. An overall EC development policy statement would be presented to the Council and European Parliament in February 2000. The UK emphasised the importance of this statement, and that it must focus on the International Development Targets, have clear and measurable objectives, follow a wide process of consultation, and address coherence issues and aid untying. The Commission agreed to report in detail on the Action Plan and statement at the next Council in May 2000. Procedural conclusions committing the Council to follow up the evaluation of humanitarian aid were adopted without discussion.

The Council discussed operational co-ordination, complementarity and coherence. Most member states had agreed that co-ordination between their overseas offices and EC delegations had improved. Luxembourg called for the Commission to set up a system in co-operation with member states to deter NGOs from illegally seeking double funding. The Commission replied that it was for national authorities to deal with such cases of fraud; a further layer of bureaucracy was not the answer. The Development Council agreed that its decisions on policy coherence were not being implemented by other Councils. The Commission agreed to produce a list of policies which would benefit from greater coherence for other Council formations to consider.

Under Other Business, the Commission agreed to examine a French request to resume broader financial support for Burundi. The UK presented a case for more aid to strengthen statistical capacity in developing countries, and urged member states to send strong delegations to the OECD meeting in Paris on 18–19 November. At lunch Belgium called for support to improve the capacity of developing countries to engage with the WTO. The UK, with support from several other member states, then spoke on the importance of improving the poverty focus of EC development assistance, which was worse than that of all other significant donors. The UK urged the Commission to produce a paper on how it would increase the proportion of spending on low income countries. The Commission said that poverty focus was difficult to achieve, but that it would produce a paper by next Spring. Finally, the Commission called for suggestions for discussion at the EU-Africa summit in April.

Hurricane Floyd

Mr. Gunnell: To ask the Secretary of State for International Development what was the *(a)* loss of life and *(b)* estimated value of the damage caused by Hurricane Floyd; and which islands were particularly affected. [99204]

Clare Short: One person in Bahamas was reported to have died as a result of Hurricane Floyd. The Government of Bahamas estimate of the value of the damage caused by the hurricane is $400 million. The most seriously affected islands in the Bahamas were Eleuthra, Abaco, Cat Island, San Salvador and Grand Bahama.

Mr. Gunnell: To ask the Secretary of State for International Development what assistance was *(a)* sought from and *(b)* given by her Department to the Bahamas as a result of Hurricane Floyd. [99203]

Clare Short: Following Hurricane Floyd, my Department received appeals for funds to assist the Bahamas from the Bahamian Red Cross and the Bahamian National Disaster Relief Fund. £15,625 ($25,000) was donated to each appeal.

External Consultants

Mr. Don Foster: To ask the Secretary of State for International Development what has been spent by her Department on external consultants and advisers since May 1997 funded from (i) her Department's programme provision and (ii) her Department's running costs. [99482]

Clare Short: The amounts spent on external consultants and advisers in the last three financial years are as follows:

	£ million
1997–98	1.79
1998–99	1.83
1999–2000 (to date)	0.81

All these sums have been funded from the Department's Running Costs Provision.

Child Labour

Mr. Cox: To ask the Secretary of State for International Development with the Governments of which countries she has discussed the issue of child labour during the last 12 months. [98441]

Clare Short: My Department is actively involved in tackling the issue of child labour with a number of countries. We have recently agreed projects with the Government's of India and Bangladesh. We are also supporting the work of the International Labour Organisation's International Programme for the Elimination of Child Labour (IPEC) and have recently agreed funding for a project based in Thailand which will combat trafficking of children in the Mekong sub-region covering part of Cambodia, China, Laos, and Vietnam. We are also supporting projects in Brazil, Kenya, Tanzania, Pakistan, Nepal and Indonesia where we are working in collaboration with government and non-governmental organisations.

We are also addressing the problem of child labour through our basic education projects and our support to socially responsible business such as the Ethical Trading Initiative.

Mozambique

Mr. Nigel Jones: To ask the Secretary of State for International Development what assistance she is giving to Mozambique to tackle the problem of HIV/AIDS. [98612]

Clare Short: My Department for International Development (DFID) provided technical help for preparation of Mozambique's HIV/AIDS Strategic Plan, and plans to assist in its implementation. We support the

social marketing of condoms throughout Mozambique, targeting high risk groups. We are promoting AIDS awareness in the private sector, and through civil society.

HIV/AIDS issues are being mainstreamed throughout the programme. HIV prevention and impact mitigation is being incorporated in workplans in DFID supported projects such as feeder roads. We are assisting the private sector to better understand and respond to the economic impact of HIV/AIDS.

TRADE AND INDUSTRY

Safeway

Mr. Baker: To ask the Secretary of State for Trade and Industry if he will support a reference to the Competition Commission in respect of the policy of Safeway to require a £20,000 contribution per product line from suppliers in return for guaranteed shelf space. [99323]

Dr. Howells: The Competition Commission is already investigating the supply of groceries from supermarkets. The Commission's terms of reference would allow them to investigate relationships between supermarkets and their suppliers. The exact scope of investigations is a matter for the Commission.

The nature of the relationship between the supermarkets and their suppliers was flagged up as an area of concern by the Director General of Fair Trading in his press notice announcing the reference.

Pirate Radio Stations

Mr. Gerrard: To ask the Secretary of State for Trade and Industry how many pirate radio stations have been prosecuted in each of the last three years. [99831]

Ms Hewitt: It is the people involved with the pirate radio stations who are prosecuted as the stations themselves are not an identifiable body. Details of prosecutions in the past three years are as follows:

Year	*Prosecutions*	*Convictions*
1997	41	41
1998	53	53
1999[1]	39	39

[1] To 30 September 1999

Mr. Gerrard: To ask the Secretary of State for Trade and Industry what has been the average fine imposed on pirate radio stations where a conviction has been obtained in relation to illegal broadcasting in each of the last three years. [99832]

Ms Hewitt: The average fine imposed on individuals convicted of offences relating to pirate radio broadcasting in each of the last three years is as follows:

Year	*Average fine £*
1997	272
1998	452
1999[1]	248

[1] To 30 September 1999

Mr. Gerrard: To ask the Secretary of State for Trade and Industry how equipment confiscated from pirate radio stations following convictions in relation to illegal broadcasting is dealt with. [99833]

Ms Hewitt: The vast majority of equipment ordered forfeit by the courts is destroyed to prevent it getting back onto the market.

Mr. Gerrard: To ask the Secretary of State for Trade and Industry what action is taken against organisations which *(a)* advertise on and *(b)* sponsor pirate radio stations. [99834]

Ms Hewitt: It is an offence contrary to the Wireless Telegraphy Act 1949 to advertise on or sponsor pirate radio stations. If evidence to substantiate such offences can be obtained those involved are prosecuted.

Mr. Gerrard: To ask the Secretary of State for Trade and Industry if he will assess the benefits of *(a)* paying compensation and *(b)* giving refunds to community radio stations which are unable to take full advantage of their broadcasting licences because of the actions of pirate radio stations. [99758]

Ms Hewitt: With respect to the Wireless Telegraphy Act, the Agency endeavours to ensure interference-free spectrum for use by legitimate broadcasters. The Agency deals with this by taking direct action against pirate radio stations (928 raids nationally last year). This action is entirely funded by the revenue generated by the WT Act Licence.

The Agency regularly reviews its policies and has considered the issues of compensation and refunds. However, at present, it is felt that direct action is the best way of combating interference and current Agency policy reflects this.

Export Credits

Mr. Nigel Jones: To ask the Secretary of State for Trade and Industry (1) what were the amounts of export credits which were paid to UK companies following non-payment of bills in each year since 1979 for which records are available; [98740]

(2) what were the amounts of export credit guarantees issued in each year since 1979 for which records are available. [98739]

Mr. Caborn: Complete records are available from 1986 only. The table sets out for each of the years from 1986 the Sterling equivalent of Guarantees issued and the value of Claims paid in each of these years. Included for information is the value of recoveries and interest received by ECGD.

The Claims and recoveries will not relate to the Guarantees in that year.

£ million

Financial year	*Value of Guarantees issued*	*Claims paid*	*Recoveries and interest*
1986–87	2,709.1	780.3	394.7
1987–88	1,849.4	987.3	322.3
1988–89	2,255.7	810.4	325.7
1989–90	2,012.4	912.9	379.1
1990–91	2,421.3	967.5	477.7
1991–92	2,739.2	954.1	472.9

£ million

Financial year	Value of Guarantees issued	Claims paid	Recoveries and interest
1992–93	4,475.2	734.3	474.1
1993–94	4,268.5	511.9	398.9
1994–95	3,347.8	421.3	341.1
1995–96	4,195.8	294.7	473.2
1996–97	2,629.1	230.6	553.2
1997–98	3,252.5	165.7	486.4
1998–99	3,308.5	145.8	393.0

EU Firms

Dr. Whitehead: To ask the Secretary of State for Trade and Industry how many firms from EU member states operate in each of the English regions. [98577]

Mr. Caborn: The following table shows the number of local units owned by EU-owned enterprises in each English region in March 1999. The figures do not represent the number of EU-owned enterprises in England as one enterprise may own several of the local units shown here. Supplying figures for enterprises would show a concentration in London and the South East, where head offices tend to be located.

Number of EU-owned local units in England—March 1999

Region	Number
North East	560
North West	1,740
Yorkshire and The Humber	1,205
East Midlands	910
West Midlands	1,590
Eastern	1,460
London	3,050
South East	2,605
South West	1,090
Total	14,205

Source:
Office for National Statistics

Parental Leave

Mr. Crausby: To ask the Secretary of State for Trade and Industry what representations he has received relating to paid parental leave. [98668]

Mr. Alan Johnson: The Department has received representations, both for and against paid parental leave, from a number of individuals and organisations since the Fairness at Work White Paper was published in Summer 1998. We have recently received over 250 letters as part of an NSPCC campaign for paid parental leave.

EDUCATION AND EMPLOYMENT

Maintained Schools

Mr. Clappison: To ask the Secretary of State for Education and Employment how much was spent per pupil in maintained schools in each year for each of the last 20 years. [98630]

Ms Estelle Morris: The following table presents the unit costs per pupil for LEA maintained nursery, primary and secondary schools in England for the period 1979–80 to 2001–02. The costs are presented both in cash terms and in real terms (i.e. constant 1999–2000 prices). The budgets from 1998–2002 are the responsibility of this administration. Previous budgets had been set, distributed and agreed before May 1997.

Unit costs (in cash and real terms) per pupil in LEA maintained schools in England

£

	Unit costs (per FTE pupil) Cash terms	Real terms
1979–80[1]	510	1,450
1980–81[1]	650	1,550
1981–82[1]	740	1,610
1982–83[1]	810	1,640
1983–84[1]	870	1,690
1984–85[1]	925	1,710
1985–86[1]	990	1,730
1986–87[1]	1,110	1,890
1987–88[1]	1,240	2,000
1988–89[1]	1,360	2,050
1989–90[1]	1,490	2,090
1990–91[1]	1,620	2,120
1991–92[1]	1,750	2,150
1992–93[1]	1,860	2,210
1993–94[1]	1,870	2,170
1994–95[1]	1,890	2,160
1995–96[1]	1,190	2,120
1996–97[1]	1,960	2,110
1997–98[2]	1,980	2,070
1998–99[3]	2,050	2,090
1999–2001[3]	2,150	2,150
2000–01[3]	2,270	2,210
2001–02[3]	2,400	2,290

[1] Actual outturn
[2] Provisional outturn
[3] Projected estimate

Education Budget (Sefton)

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment what percentage of the total education budget of Sefton Metropolitan Borough was spent on administration in each year from 1992 to 1998. [98597]

Ms Estelle Morris: For the years from 1992 to 1998, the percentage of the total education budget of Sefton Metropolitan Borough which was spent on administration was as follows:

Year	Percentage
1992–93	3.7
1993–94	4.0
1994–95	2.9
1995–96	2.8
1996–97	2.8
1997–98	2.8

New Deal (Yorkshire)

Caroline Flint: To ask the Secretary of State for Education and Employment how many people in *(a)* Don Valley, *(b)* Doncaster and *(c)* South Yorkshire will benefit from the extended New Deal. [98455]

Ms Jowell: The Chancellor announced in his pre-Budget report that the existing New Deal 25 plus pilots should be extended until March 2001. This will give us a valuable opportunity to learn more lessons to inform the detail of the enhanced New Deal for people aged 25 and over which we intend to introduce in April 2001. There are currently two pilots in South Yorkshire, but we cannot at this stage say how many additional people in those areas will be helped as a result of this extension, because there are a number of detailed issues which we need to explore on a pilot by pilot basis.

Civil Servants (Darlington)

Miss McIntosh: To ask the Secretary of State for Education and Employment how many civil servants are employed at his Department's offices in Darlington; and how many he expects to be employed there in *(a)* 2000, *(b)* 2001 and *(c)* 2002. [99054]

Mr. Wills: The number of civil servants employed by the Department for Education and Employment at its headquarters office in Darlington as at 1 April 1999 was 498. Staffing projections for future years are not available. However, when the Secretary of State spoke to staff in Darlington and Runcorn, in 1997, he indicated, that for the lifetime of this Parliament, there would be a continuing need for both sites.

Education Initiatives

Mr. Willis: To ask the Secretary of State for Education and Employment if he will list for each of the education initiatives launched since May 1997 and for each financial year, the amount of departmental expenditure which has been identified as additional to that which would have been incurred as part of normal operational activity. [98835]

Mr. Wills *[holding answer 22 November 1999]:* The figures for central government spending on education in England which were published in DfEE's 1999 Departmental Report together with the year on year increases, are in the following table. They do not include Ofsted or local authority expenditure on education.

Year	*£ million*
1996–97	11,266
1997–98	11,642
1998–99	12,054
1999–2000	13,474
2000–01	15,282
2001–02	16,617

Note:
1997–98 does not include the £527 million which was transferred from local to central government spending in that year only for nursery vouchers.

These figures show that, by 2001–02, we will be spending nearly £5.4 billion more from central government resources on education than was spent under the previous administration in 1996–97. This is as a result of the extra £16 billion for total education spending in England over the years 1999–2000, 2000–01 and 2001–02 provided by the Comprehensive Spending Review, and the extra £400 million for England over this period from the Capital Modernisation Fund as announced in the March 1999 Budget. In addition, over £140 million of extra resources have been allocated for capital in English schools as part of the pre-Budget package.

Details of DfEE initiatives launched since May 1997 can be found in the Department's 1998 and 1999 annual reports (Cm 3910 and Cm 4202), copies of which have been laid in the Library.

Dyslexia

Mr. Beith: To ask the Secretary of State for Education and Employment what recent guidance he has given to education authorities about the extent and nature of support to be given to pupils affected by dyslexia. [99419]

Jacqui Smith: Under the Education Act 1996, schools and local education authorities (LEAs) have a duty to identify and make suitable provision for all children with special educational needs, including children with dyslexia. The Code of Practice on the Identification and Assessment of Special Educational Needs, which came into effect on 1 September 1994, gives guidance to schools and LEAs on how to meet this duty. Paragraphs 3.60 to 3.63 provide guidance on specific learning difficulties and have particular reference to dyslexia. The Code is currently being revised to update the guidance and provide examples of good practice, with an increased emphasis on early identification and support.

To assist schools in recognising dyslexia, we have produced simple guidance which provides hints to primary school teachers to help them identify children who may be dyslexic. In addition, the Department has recently provided a grant to help the British Dyslexia Association produce a schools resource pack entitled "Achieving dyslexia friendly schools". Two copies of the pack have been distributed to all local education authorities in England .

Education Action Zones

Mrs. May: To ask the Secretary of State for Education and Employment when the annual audited accounts of each education action zone in Round 1 were due to be submitted to his Department. [99231]

Ms Estelle Morris: The accounts are not submitted to the Department. The National Audit Office will lay the 25 sets of accounts before Parliament. The NAO expects to lay the first of these in December.

Capital Expenditure (Schools)

Mr. Willis: To ask the Secretary of State for Education and Employment if he will state for each financial year to 2001–02, how much of the money announced for capital expenditure on schools *(a)* amounts to additional spending above the level included in expenditure plans announced before May 1997 and *(b)* is included in the additional expenditure announced in the Comprehensive Spending Review (Cm. 4011). [98644]

Jacqui Smith *[holding answer 22 November 1999]:* Since May 1997, we have announced for England £1.085 billion for the New Deal for Schools programme; £90 million for class size reduction and heating systems and outside toilet replacements; and an additional £660 million in PFI credits. All of those amounts are additional to the £19 billion increase in UK education

spending announced in the Comprehensive Spending Review (CSR). As well as those increases, the Chancellor's Pre-Budget Statement this month announced a further £143 million for PFI credits and New Deal for Schools funding in England.

The total expenditure on schools buildings in the three year CSR period is £5.5 billion, following the additional funds announced in the Chancellor's Pre-Budget Statement. This breaks down as follows: £1.3 billion in 1999–2000, £1.6 billion in 2000–01 and £1.9 billion in 2001–02, plus an estimate of additional contributions from local education authorities and school governors. In 1996–97, planned central Government expenditure in the main schools capital programme was £661 million (as set out in the Department's Report in March 1996, Cm 3210).

Capital spend per pupil has increased from £348 in 1994–98 to an estimated £780 in 1998–02.

Mr. Willis: To ask the Secretary of State for Education and Employment if he will list separately for each financial year covered by the Comprehensive Spending Review (Cm. 4011) for all capital expenditure on schools *(a)* the amounts to be spent in the form of cash grants to local education authorities and schools, *(b)* the amounts to be spent in the form of credit approvals and *(c)* amounts to be spent by other means. [98653]

Jacqui Smith *[holding answer 22 November 1999]:* In 1999–2000, the Department expects to allocate £454 million in credit approvals out of the £713 million for the main schools capital programme. The remaining £259 million will be given out as grant, including that for Voluntary Aided and Grant Maintained Schools. The main schools capital programme will total £963 million in 2000–01 and £1.3 billion in 2001–02. The proportion of credit approvals for those two years has not yet been finalised. In addition to the main programme, the Department will be providing grant funding of over £200 million in each of the three years for the National Grid for learning, class sizes reduction, Sure Start and specialist schools. The Department will also be providing funding under the New Deal for Schools of £250 million in 1999–2000, £293 million in 2000–01 and £250 million in 2001–02; and PFI credits of £350 million in 1999–2000, £350 million in 2000–01 and £450 million in 2001–02.

From April 2000, the Department will be providing nearly £200 million each year to schools in the form of formula grant. Schools will also have the opportunity to bid for £30 million of seed challenge funding for innovative investment programmes.

We expect the Department's funding to be enhanced by partnership contributions from local education authorities and school governors of £800 million over the CSR period.

Mr. Willis: To ask the Secretary of State for Education and Employment what funds allocated from the windfall tax levy to the New Deal for Schools were counted as part of the additional expenditure on education announced as part of the Comprehensive Spending Review (Cm. 4011). [99424]

Mr. Blunkett *[holding answer 23 November 1999]:* None. The £1.085 billion for the New Deal for Schools announced in July 1997 is additional to the £19 billion increase in UK education spending announced in the Comprehensive Spending Review. A further £43 million for the New Deal for Schools was announced by the Chancellor in the Pre-Budget statement on 9 November, together with the extension of the PFI credits by £100 million.

Private Finance Initiative

Mr. Willis: To ask the Secretary of State for Education and Employment how much funding was and will be *(a)* provided and *(b)* planned by his Department as revenue support to local education authorities in England to meet private sector annual charges for private finance initiative projects in each financial year from 1997–98 to 2001–02; what percentage of the total cost to local education authorities of these projects this represents; and which of these amounts were counted as part of the additional money announced as part of the Comprehensive Spending Review (Cm. 4011). [99423]

Mr. Blunkett *[holding answer 23 November 1999]:* We will be providing PFI credits to local education authorities totalling £130 million in 1998–99, £350 million in 1999–2000, £350 million in 2000–01 and £450 million in 2001–02. The amount of PFI credits allocated to an individual project determines the revenue support grant which will begin to be paid to the authority once payments to the contractor commence. The percentage of the total cost to the authority represented by the grant will vary from one project to another and no figures are available.

Within these total allocations, £660 million, £220 million in each of the years 1999–2000, 2000–01 and 2001–02, was announced in the Comprehensive Spending Review. That addition to previous provision was not part of the overall increase of £19 billion in UK education spending announced in the Review.

A further £100 million of PFI credits for 2001–02 was announced by the Chancellor in the pre-Budget statement on 9 November—again this is within the total figures above.

Gifted Children

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment if he will make a statement on his initiatives to develop the potential of above-average ability children, with particular reference to Sefton. [98602]

Ms Estelle Morris: The Government are encouraging all schools to meet the needs of able pupils by adopting strategies such as setting, target-grouping, fast-tracking and accelerated learning. The initial phase of our national strategy to improve the education of gifted and talented children is concentrated mainly in areas targeted by the Excellence in Cities initiative. Some aspects of the gifted and talented strand of Excellence in Cities, notably world class tests and guidance on the literacy and numeracy strategies, have a national focus. We expect all areas to benefit eventually from the innovation and good practice emerging from the target cities. All local education authorities, including Sefton, can use Standards Fund grants to address the needs of able pupils where the definitions of eligible expenditure allow. We will announce further national initiatives shortly.

HEALTH

Xenotransplantation

Mr. Baker: To ask the Secretary of State for Health (1) what plans he has in place to contain a potential outbreak of a lethal infectious disease as a result of pig-to-human transplants; [99324]

(2) what recent assessment he has made of the scale of the risks and hazards posed by pig-to-human transplants. [99325]

Mr. Denham: The Government are advised on all issues relating to animal-to-human transplants by the United Kingdom Xenotransplantation Interim Regulatory Authority (UKXIRA). Evidence about the safety of xenotransplantation is kept under constant review by the UKXIRA. Safety remains of paramount importance. Any clinical trial in xenotransplantation involving humans will be allowed to take place only when we are fully satisfied that the risk associated with the particular procedure involved is acceptable.

The precautions to be adopted by applicants for minimising the risk of infectious disease transmission will be a key factor in deciding whether or not to approve clinical trials. In this respect, the UKXIRA has issued two draft documents for widespread consultation. "Guidance notes on Biosecurity considerations in relation to xenotransplantation" sets out best practice for the processes and procedures to be employed in facilities where source animals are raised and kept. The "Report of the Infection Surveillance Steering Group" describes a framework for monitoring the health of xenotransplant recipients and in particular surveilling them for any signs of zoonotic infection that might be the direct result of the xenotransplant. This includes a possible mechanism for responding to suspected infection incidents. The UKXIRA would expect any applicant seeking permission to undertake a clinical trial involving a xenotransplantation procedure to have due regard to the recommendations of these documents.

Both documents are available on the UKXIRA website, www.doh.gov.uk/ukxira.htm.

Human Fertilisation and Embryology Authority

Mr. Gordon Marsden: To ask the Secretary of State for Health if he will publish the annual report of the Human Fertilisation and Embryology Authority. [99983]

Yvette Cooper: The Human Fertilisation and Embryology Authority has published its eighth Annual Report today. The Report has been laid before the House in accordance with the requirements of section 7(3) of the Human Fertilisation and Embryology Act 1990. Copies have been placed in the Library.

ME/CFS

Mr. Luff: To ask the Secretary of State for Health what guidance his Department provides to social service departments on parental consent to the removal of young people from their home for treatment for ME/CFS. [99454]

Mr. Hutton: The Department provides no guidance to social service departments on the issue of parental consent to the removal of children and young people from their homes for treatment for chronic fatigue syndrome/ myalgic encephalomyelitis. However, guidance: "Working Together under the Children Act 1989—a guide to inter-agency co-operation for the protection of children from abuse" (1991) is expected to be followed by social service departments in considering whether their powers to remove children under the Act (Section 44 Emergency Protection Orders) should be exercised.

Secure Accommodation (Children)

Jackie Ballard: To ask the Secretary of State for Health (1) what is the role of local authority social services departments in inspecting the conditions under which children are kept on remand in secure accommodation; [98676]

(2) who is responsible for producing and monitoring care plans for children remanded into secure accommodation. [98675]

Mr. Hutton: The role of the local authority in inspecting children's homes, including those providing secure accommodation, is set out in the Children Act 1989 and the Children's Homes Regulations 1991. These provide the framework for standards used in the inspections. Children's homes, including those providing secure accommodation, are subject to two inspections a year, one of which will be an unannounced visit. The inspections are carried out by the local authority inspection unit.

The Local Authority in the child's own home area has responsibility for producing and monitoring care plans for each child in secure accommodation.

Foreign Patients

Mr. Lilley: To ask the Secretary of State for Health (1) how many citizens from countries outside the EU received treatment from the NHS in the most recent year for which the information is available; how much that treatment cost the NHS; and how much foreign patients' Governments reimbursed the UK for their treatment; [98501]

(2) how many citizens of each EU member state received treatment from the NHS in the most recent year for which the information is available; what was the cost to the NHS of that treatment; and what was the amount reimbursed to each member state for treatment of its citizens in the UK. [98500]

Ms Stuart: There is no central record either of the numbers of patients not ordinarily resident in the United Kingdom who receive treatment from the National Health Service or of the costs involved.

Patients not normally resident in the UK can be asked to pay for any non-emergency treatment given by a general practitioner or dentist. Patients requiring hospital treatment other than in an Accident and Emergency department are liable to be charged unless they are exempt from charges by virtue of the National Health Service (Overseas Visitors) Regulations 1989.

Patients from countries outside the European Economic Area (EEA) are personally liable for charges unless the UK has a reciprocal health agreement with their home state. All the UK's reciprocal agreements with non-EEA

countries are on a cost-waiver basis with each of the parties bearing the cost of treating each other's people; no money changes hands between governments.

Within the EEA, Regulation (EEC) 1408–71 co-ordinates the healthcare schemes of the member states. In principle, each country is responsible for paying for treatment given to its own insured persons in other member states. The UK has bilateral cost reimbursement arrangements with most other EEA states, the terms of which vary from country to country. The table sets out an estimate of the amounts which the UK expects to receive from other EEA countries in respect of treatment provided during 1998–99:

£000

	Estimated UK claims for inpatient/outpatient treatment	*Estimated UK claims for treating patients referred to the UK for treatment*	*Total*
Austria	213	8	222
Belgium	1,056	26	1,082
Denmark[1]	—	—	—
Finland[1]	—	—	—
France	1,994	—	1,994
Germany[2]	2,078	111	2,189
Greece[2]	208	630	839
Iceland[2]	44	25	69
Ireland	3,546	2,958	6,504
Italy	511	3,094	3,606
Liechtenstein	—	—	—
Luxembourg[1]	—	—	—
Netherlands	524	11	535
Norway[1]	—	—	—
Portugal[2]	176	123	298
Spain	830	68	898
Sweden	568	55	623
All EEA Countries	11,748	7,109	18,159

[1] Countries which operate waiver agreement with the United Kingdom

[2] Estimates are based on proposed agreement and subject to final agreement by both parties

[3] Minor differences due to rounding

Care Workers

Mr. Wyatt: To ask the Secretary of State for Health if he will establish a national register for *(a)* care workers and *(b)* care assistants dealing with the elderly. [98513]

Mr. Hutton: We will establish the General Social Care Council by statute. We intend that the Council will be able to register social care staff on the basis of their having successfully completed a period of approved training and other evidence of their fitness to work with the general public.

Mr. Wyatt: To ask the Secretary of State for Health how many complaints his Department has received in the last five years about *(a)* care workers, *(b)* care assistants and *(c)* registered nurses dealing with the elderly. [98472]

Mr. Hutton: The Department receives a few letters each year complaining about people who care for the elderly. Responsibility for investigating complaints rests with the relevant regulatory authority and complaints received by the Department are referred to them. The Department does not, therefore, maintain a database of complaints.

However, the Registration and Inspection Survey for 1996–97 is able to provide some information about the number of complaints about adult residential care for the local authority and independent sector. There were a total of 4,249 complaints—3,133 of these required substantial investigation.

The United Kingdom Central Council publishes information about complaints about nurses in its annual reports.

Mr. Wyatt: To ask the Secretary of State for Health how many *(a)* professional care workers, *(b)* care assistants and *(c)* registered nurses there are in England who are exclusively occupied with the elderly. [98470]

Mr. Hutton: Information on the number of care and nursing staff exclusively occupied with the elderly in England is not held centrally. In 1998, the latest year for which information is available, there was a total of 33,000 directly-employed local authority care workers (including care assistants) in England mainly caring for elderly people in residential and day care settings. The whole time equivalent number of staff was 21,400. In addition, the table shows the information available from National Health Service hospital and community health services.

NHS Hospital and Community Health Services (HCHS): All acute, elderly and general care assistants and qualified nurses, in England as at 30 September 1998

	Whole time equivalent staff	*Number of staff*
Health care assistants	11,890	14,020
Support worker	11,760	16,810
Total Qualified Nursing staff	131,270	161,980
Manager	2,320	2,440
Registered Sick children's nurse	460	600
Other 1st level	113,980	139,070
Other 2nd level	14,510	19,870

Notes:

1. Figures are rounded to the nearest ten
2. Due to rounding totals may not equal the sum of component parts
3. Figures exclude learners and agency staff

Source:

Department of Health Non-Medical Workforce Census

Mortality Rates

Mr. Lilley: To ask the Secretary of State for Health if he will publish the mortality rates for each category of operations at each NHS hospital in the latest year for which figures are available. [98498]

Mr. Denham: Earlier this year the Department published a range of clinical indicators including hospital death rates, with the aim of allowing National Health Service organisations to explore their position relative to other similar organisations and investigate differences.

Recommendations for potential future indicators have been made in a recent series of commissioned Health Outcome Indicator reports, including some further mortality indicators. The Public Health Development Unit of the NHS Executive is now discussing these recommendations with policy colleagues, and hopes to publish further operation specific indicators in the next publication, due in spring/summer 2000.

Subject to consultation and approval these operation specific indicators may include further mortality rate indicators, than those already published in June 1999. However this may not be possible until the 2000–01 publication.

Copies of the clinical indicators are available in the Library and on the internet.

Mixed Sex Wards

Mr. Cox: To ask the Secretary of State for Health how many psychiatric units in the Greater London area have mixed sex wards. [98452]

Mr. Hutton: The information is not available in the format requested because data are collected by health authorities.

The results of the latest monitoring report (as at September 1998) on our commitment to working towards the elimination of mixed sex accommodation indicate that the following percentages of health authorities in the London region expect to have achieved our objective of providing safe facilities for the mentally ill by these dates:

60 per cent. of health authorities by the end of 1999;

73 per cent. of health authorities by the end of 2000;

100 per cent. of health authorities by the end of 2002.

Care Costs

Mr. Burstow: To ask the Secretary of State for Health if he will estimate the cumulative annual savings in publicly provided formal care if morbidity rates are reduced by *(a)* 0.25 per cent. per annum, *(b)* 0.5 per cent. per annum, *(c)* 0.75 per cent. per annum and *(d)* 1 per cent. per annum by (i) 2005, (ii) 2010, (iii) 2021 and (iv) 2031. [98509]

Mr. Hutton: The Department does not make estimates of savings that may arise if morbidity rates decline. The Department commissioned the Personal Social Services Research Unit (PSSRU) at the London School of Economics to conduct a study of future demand for long-term care for elderly people. The research team has made projections of expenditure on long-term care for elderly people under different assumptions about future trends in dependency. These can be found in the report of the Royal Commission on Long Term Care and in a report by the PSSRU on Demand for Long-Term Care, copies of which are available in the Library.

Insulin (Drivers)

Mr. Loughton: To ask the Secretary of State for Health on what evidence the Government have based their conclusion that drivers using insulin are less safe than others. [98828]

Mr. Hill *[holding answer 22 November 1999]:* I have been asked to reply.

The driving licence treatment of those with diabetes treated by insulin is based primarily on European legislation—the Second Driving Licence Directive (91/439/EEC). This provided for licensing restrictions on those with insulin-treated diabetes, in particular in respect of driving heavier vehicles, based on risks associated with insulin treatment. This can lead to a hypoglycaemic attack which in turn can lead to loss of consciousness without warning. The Driver and Vehicle Licensing Agency receive information from the police and other sources each month, about, on average, 10 collapses at the wheel attributable to a hypoglycaemic attack. The Advisory Panel on Diabetes and Driving have indicated that the risk of loss of consciousness without warning in any one individual cannot be predicted. They have therefore consistently advised against granting licences to drive the largest vehicles to insulin-treated diabetics. There has been a bar on granting licences to drive large lorries and buses since 1991; this bar was extended to small lorries and minibuses in 1997 on implementation of the Second Driving Licence Directive, as a result of aligning the licensing of such vehicles with the requirements of the Directive.

LORD CHANCELLOR'S DEPARTMENT

Child Abduction

Mr. Lidington: To ask the Parliamentary Secretary, Lord Chancellor's Department when the most recent meeting of the Parent/Carer Child Abduction Co-ordinating Group took place; and what subjects were discussed. [98730]

Jane Kennedy: The Parent/Carer Child Abduction Coordinating Group met on 19 October 1999. Subjects discussed were: embarkation control; endorsement of passports; child abduction prevention packs; and legal aid.

Mr. Lidington: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the consideration being given to the Parent/Carer Child Abduction Co-ordinating Group to the question of what information should be included on children's passports. [98731]

Jane Kennedy: No. The endorsement of passports is receiving consideration by the Parent/Carer Child Abduction Coordinating Group. The Group will provide advice to the relevant Ministers on the subject as and when appropriate.

Target Setting

Mr. Don Foster: To ask the Parliamentary Secretary, Lord Chancellor's Department how many targets have been agreed between the Lord Chancellor's Department and (i) local authorities and (ii) other bodies apart from the Lord Chancellor's Department's own agences and non-departmental bodies since May 1997. [99477]

Mr. Lock: (i) None (ii) Six targets have been set for Magistrates' Court Committees for the 1999–2000 financial year and further targets will be set for 2000–01. The Law Society and the Legal Services Ombudsman have one and two targets respectively.

External Consultants

Mr. Don Foster: To ask the Parliamentary Secretary, Lord Chancellor's Department what has been spent by the Lord Chancellor's Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) the Lord Chancellor's Department's running costs. [99487]

Mr. Lock: Expenditure for the Department for the financial years April 1997 to March 1999 is as follows, inclusive of current spend:

To the end of October 1999: £9,579,287.

£129,974 of this has been provided from programmed provision and the remainder from running costs.

Grandparental Contact

Mr. Hilary Benn: To ask the Parliamentary Secretary, Lord Chancellor's Department for the most recent 12 month period for which figures are available *(a)* in what percentage of cases where a grandparent was given leave to apply for a contact order in relation to a grandchild a contact order has been granted by the courts and *(b)* in what percentage of such cases the grandparent's application was opposed by the child's parent. [98479]

Jane Kennedy: This information is not held centrally and could be provided only at a disproportionate cost.

General Commissioners of Taxation

Mr. Gibb: To ask the Parliamentary Secretary, Lord Chancellor's Department for what period his committee on appointments of General Commissioners of Taxation in the London area has been without a chairman. [98615]

Mr. Lock: There are 16 Advisory Committees on appointments of General Commissioners of Income Tax in the Greater London area. My noble and learned Friend the Lord Chancellor is currently considering the most appropriate structure for Advisory Committees in Greater London area, given that there are few appointments made every year. Three committees are currently without Chairmen. The Acton and Kensington Advisory Committee has been without a chairman since 1997; the Westminster and Southwark Committee since December 1998; and Inner Temple since February 1999.

FOREIGN AND COMMONWEALTH AFFAIRS

Indonesia

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to seek to extend the EU arms embargo and suspension of military assistance to Indonesia beyond January 2000. [99499]

Mr. Battle: The EU embargo will remain in force until 17 January 2000. It would then require unanimous EU Member State agreement to be extended. We are maintaining a close watch on the situation in Indonesia and East Timor so that a judgment can be made on whether any further action would be appropriate.

East Timor

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the UN Commission of Inquiry into human rights violation in East Timor to begin its work. [99500]

Mr. Battle: The Economic and Social Council of the United Nations endorsed the setting up of the UN Commission of Inquiry into violations of international humanitarian and human rights law in East Timor on 15 November. The Commission began work shortly after that date.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Indonesian Government concerning the return of East Timorese, at present in West Timor, to their own country. [99498]

Mr. Battle: We have consistently pressed the Indonesian Government on the importance of assisting in the swift passage of displaced East Timorese back to their homes. Our Ambassador in Indonesia visited West Timor from 1–4 November and pressed senior local political leaders to act more decisively to enable refugee returns. We understand that the TNI and INTERFET are no co-operating more closely. To date, over 92,000 refugees have returned from West Timor and elsewhere in Indonesia.

Arms Exhibitions

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from *(a)* the Secretary General of the UN and *(b)* states which have signed the Ottawa Convention, in relation to the alleged sales of anti-personnel mines at the Defence Systems and Equipment International exhibition in Chertsey, Surrey. [99508]

Mr. Hain: I refer the hon. Lady to the answer given on 3 November 1999, *Official Report*, columns *213–14*, by my right hon. Friend the Minister for the Armed Forces.

Tharcissi Muvunyi

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from the Rwandan Government concerning Lt. Colonel Tharcissi Muvunyi. [99496]

Mr. Hain: President Bizimungu raised Muvunyi with the then Minister of State, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), during his visit to Rwanda in February. Muvunyi was raised again this month by the Rwandan Ambassador during a meeting with FCO officials. We encouraged the Rwandans to pass any information they had on Muvynyi, and other genocide suspects, to the International Criminal Tribunal for Rwanda so that they may judge whether or not there are grounds for prosecution.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to investigate the case of Lt. Colonel Tharcissi Muvunyi. [99497]

Mr. Hain: It is the responsibility of the International Criminal Tribunal for Rwanda to investigate the allegations of genocide which have been made against Lt. Colonel Muvunyi. We are working closely with the Tribunal on this.

Bahrain

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the use of 6 ML1 SIELS and 1 ML1 OIEL exported to Bahrain this year. [99505]

Mr. Hain: All export licence applications for Bahrain for ML1 equipment this year have been for private/ recreational use by the ruling family or for national defence by the Bahrain Defence Force who are not involved in internal security.

All export licences for Bahrain are considered against the established criteria, including whether there is a clearly identifiable risk of the equipment being used for external aggression or internal repression, in which case it will be refused.

Sudan

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Department of Trade and Industry concerning a British company's involvement in the supply of equipment and training to the Sudanese for the extraction of oil in southern Sudan. [99501]

Mr. Hain: Officials in British Trade International and the FCO keep in regular touch on the Sudan. British companies, along with many others from other European and other countries, have supplied equipment to the oil industry.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Department of Trade and Industry concerning export licences to Sudan. [99504]

Mr. Hain: Any export licence applications received by the DTI concerning the Sudan are circulated to the FCO for advice. A full scope EU arms embargo is in force and is likely to remain as long as the civil war continues.

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what representations he has made recently to *(a)* the EU and *(b)* the UN concerning the effect of the oil fields in southern Sudan on the continuing civil war there; [99502]

(2) what discussions he has had with the EU and IGAD concerning the role of oil in the war in the Sudan. [99503]

Mr. Hain: We keep in regular contact with the EU, the UN, and other colleagues on the situation in the Sudan; including on the impact of oil which has recently started to be exported. We are making the case strongly, including in Khartoum, that revenues should be used for development projects and that there should be transparency in accounting for the expenditure. We note that certain public assurances have been given to that effect, and look to the Government to implement them.

We expect the EU arms embargo to remain as long as war in the Sudan continues.

Target Setting

Mr. Don Foster: To ask the Secretary of State for Foreign and Commonwealth Affairs how many targets have been agreed between his Department and (i) local authorities and (ii) other bodies apart from his own agencies and non-departmental bodies since May 1997. [99479]

Mr. Hain: The Department has not agreed any targets with either local authorities or other bodies apart from the Department's own agencies and non-departmental bodies since May 1997.

External Consultants

Mr. Don Foster: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99489]

Mr. Hain: During the period 1 May 1997 to 31 October 1999, the Foreign and Commonwealth Office spent £46.1 million on external consultancy and advice, relating principally to technical expertise for major capital projects, in particular major information technology and estates development at home and overseas. Identifying expenditure on consultancy and advice funded from programme provision which is not held centrally could be achieved only at disproportionate cost.

Yugoslavia

Mr. Woolas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the changes to the EU oil embargo against the Federal Republic of Yugoslavia. [99984]

Mr. Hain: On 15 November, the Council of the European Union adopted EC Regulation 2421/1999 which amends EC Regulation 2111/1999 prohibiting the sale and supply of petroleum and petroleum products to certain parts of the FRY.

The Regulation provides for member states to authorise the sale, supply or export of such goods provided that they take place within the framework of the Energy for Democracy initiative to provide certain Serbian municipalities with energy and that conclusive evidence has been presented to member states' authorities that the end-users or final destinations are the municipalities listed in an annex to the Regulation.

The Regulation entered into force on 16 November 1999 and is directly applicable in the UK. The Federal Republic of Yugoslavia (Supply, Sale and Export of Petroleum and Petroleum Products) (Penalties and Licences) (No. 3) Regulations 1999 (SI 1999/2821) came into force on 14 October 1999 and provides for licensing and enforcement, including penalties.

Correspondence

Mr. Wallace: To ask the Secretary of State for Foreign and Commonwealth Affairs when he will reply to the letter of 15 September from the hon. and learned Member for Orkney and Shetland to the Home Secretary and transferred to his Department on 22 September for the visa application for Amra Jabeen. [99229]

Mr. Vaz: Our High Commission in Islamabad has provided a report and I will be replying shortly to the hon. and learned Member's letter. I apologise for the delay in responding.

Migration and Visa Correspondence Unit

Mr. Wallace: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of correspondence addressed to the Migration and Visa Correspondence Unit is responded to within the 20 working days target set by the Department. [99230]

Mr. Vaz: From 1 January to 31 October 1999, 64 per cent. of correspondence handled by the Visa Correspondence Unit was responded to within 20 working days.

Entry Clearance

Fiona Mactaggart: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications for entry clearance to enter the UK under the terms of the EC Association Agreements were made at British embassies in *(a)* Bratislava, *(b)* Bucharest, *(c)* Prague, *(d)* Sofia and *(e)* Warsaw, in (i) 1997, (ii) 1998 and (iii) 1999; and how many were issued and how many refused in each of these years. [99286]

Mr. Vaz: The following visa applications were submitted under the terms of the EC Association Agreements to British Embassies in Bratislava, Bucharest, Prague, Sofia and Warsaw between 1997–99:

Post	*Received*	*Issued*	*Refused*
Bratislava			
1997	0	0	0
1998	0	0	0
1999[1]	2	0	0
Bucharest			
1997	2	1	1
1998	3	2	0
1999[1]	0	0	0
Prague[2]			
1997	1	2	0
1998	5	0	2
1999[1]	2	1	0
Sofia[2]			
1997	1	1	1
1998	4	4	1
1999[1]	16	8	0
Warsaw			
1997	4	1	0
1998	5	7	0
1999[1]	2	0	0

[1] To 20 November

[2] Separate statistics not held; represents best estimate

Sierra Leone

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the security situation in Sierra Leone. [98742]

Mr. Hain: The overall security situation in Sierra Leone remains volatile. We remain concerned over the violations of the Lomé Peace Agreement and the ceasefire, and the consequent humanitarian impact on the people of Sierra Leone.

We call on all parties to implement the Lomé Peace Agreement immediately and in full. The parties must now live up to their commitment to lay down their arms and enter the Disarmament, Demobilisation and Reintegration camps. This is vital if all people in Sierra Leone are at last to live in peace and security.

We are working closely with the United Nations to ensure the early deployment of a robust United Nations peacekeeping operation. This will help create a climate of confidence for the parties to implement the Lomé Peace Agreement.

UNITA

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what action Her Majesty's Government have taken to expel the chief UNITA representative in the United Kingdom to comply with United Nations Security Council Resolution 1127 (1997); [99160]

(2) if he will make a statement on the current whereabouts of the chief UNITA representative in the United Kingdom. [99161]

Mrs. Roche: I have been asked to reply.

Mr. Kandeya was instructed to leave the United Kingdom following the adoption of United Nations Security Council Resolution 1127. His application for leave to remain in the United Kingdom was refused on 13 October 1998. On the same day my right hon. Friend the Secretary of State for the Home Department also informed Mr. Kandeya of his decision to make a deportation order against him. Mr. Kandeya's appeals against both decisions remain outstanding. We have recently had unconfirmed reports that Mr. Kandeya has left the United Kingdom. Should these be confirmed his application for leave to remain will lapse and the Immigration and Nationality Directorate will write to the independent appellate authorities to seek a ruling that his appeal to them has been abandoned.

TREASURY

Energy Efficiency

Mr. Wigley: To ask the Chancellor of the Exchequer if he will take steps in his next Budget to reduce the VAT rate payable on energy-saving materials; and if he will make a statement on the Government's policy on this. [99545]

Dawn Primarolo: This Government have already reduced to 5 per cent.—the lowest level allowed under EC law—the VAT rate applicable to grant-funded installation of energy saving materials in the homes of the less well off. EC VAT law does not allow the UK to apply a reduced VAT rate to sales of energy saving materials for DIY installation.

Stamp Duty Revenue

Mr. Loughton: To ask the Chancellor of the Exchequer what forecasts his Department has made of stamp duty revenue from securities in the years ending *(a)* April 2000, *(b)* April 2001 and *(c)* April 2002. [R] [99182]

Miss Melanie Johnson *[holding answer 22 November 1999]:* The information is as follows.

Net receipts from stamp duty (including stamp duty reserve tax) on transactions of shares and other securities

	£ billion
1999–2000 (Estimate)	3.0
2000–01 (Projection)	3.0

Pensions

Mr. Ian Stewart: To ask the Chancellor of the Exchequer what plans he has to extend the survivor benefits under public service pensions schemes to persons other than widows, widowers or children. [99390]

Mr. Andrew Smith: As set out in December 1998 in the Green Paper "A New Contract for Welfare: Partnership in Pensions" (Cm 4179), the Government are prepared to consider how practicable arrangements could be devised for a statutory pension scheme to extend survivor pensions to unmarried partners of scheme members, if the general membership of the scheme sought that change and if scheme members were prepared to meet the costs of it. There is no central policy on whether such a change should be made by any public service scheme. It is a matter for the Department responsible for each public service pension scheme, in the light of the wishes of the membership of each scheme.

Mr. Chope: To ask the Chancellor of the Exchequer when the administrators of the Management Systems Development Limited pension scheme applied to his Department for the calculation of the guaranteed minimum pensions of the members of the scheme; in respect of how many members of the scheme the calculations have been completed; how many calculations are not yet completed; and by what date he expects the task to be completed. [99457]

Miss Melanie Johnson: Finalised guaranteed minimum pension calculations for all former members of the Management Systems Development Limited pension scheme were completed by August 1997. The scheme's case was finally concluded in August 1999.

Mr. Chope: To ask the Chancellor of the Exchequer how many applications for the calculation of guaranteed minimum pensions are awaiting decision by his Department; how many of these have been outstanding for more than *(a)* one year, *(b)* two years, *(c)* three years and *(d)* over four years; and if he will make a statement. [99459]

Miss Melanie Johnson: None of the 7,615 applications for Guaranteed Minimum Pension calculations presently awaiting decision are over one year old.

Mr. Chope: To ask the Chancellor of the Exchequer how many members of pension schemes in administration have nad their guaranteed minimum pensions calculated by his Department in the last six months; and in respect of how many such members calculations have not yet been made. [99458]

Miss Melanie Johnson: 74,591 Guaranteed Minimum Pension calculations have been processed in the last six months and 7,615 are presently awaiting formal action.

Capital Gains Tax

Dr. Tonge: To ask the Chancellor of the Exchequer if he will review the capital gains tax payable when companies formed by residents of blocks of flats extend the leases of those residents who are the shareholders of the company. [99216]

Dawn Primarolo: Inland Revenue Extra Statutory Concession D39 allows relief from capital gains tax in this sort of situation. Inland Revenue Tax Bulletin 41, published in June this year, provides details.

Working Families Tax Credit

Jackie Ballard: To ask the Chancellor of the Exchequer what is the average spending on child care per week being claimed via the working families tax credit. [98670]

Dawn Primarolo: The average child care cost per week for recipients of the Working Families Tax Credit claiming child care costs up to the end of October is provisionally estimated to be £45 per week.

Mr. Lepper: To ask the Chancellor of the Exchequer how many *(a)* inquiries have been received by the Working Families Tax Credit Inquiry Line and *(b)* successful claims for working families tax credit have been made by residents of (i) Brighton Pavilion constituency and (ii) Brighton and Hove Unitary Authority area. [98826]

Dawn Primarolo: The response line for the Working Families Tax Credit and the Disabled Person's Tax Credit had handled 750,000 inquiries up to the 18 November. Reliable estimates for the numbers in receipt of the Working Families Tax Credit in Brighton Pavilion and Brighton and Hove Unitary Authority are not yet available.

Construction Industry Scheme

Mr. Gibb: To ask the Chancellor of the Exchequer what representations he has received regarding the Contractors Helpline for the construction industry scheme. [98624]

Dawn Primarolo: The contractors' helpline was set up to provide a single point of contact for any contractor who needed more information about the scheme. In response to a very high level of inquiries, the Revenue have now substantially increased the capacity of the helpline to take 25 calls simultaneously. The vast majority of calls are now being answered promptly.

Mr. Gibb: To ask the Chancellor of the Exchequer when he will publish definitive and complete rules for the transitional arrangements involved with the new construction industry scheme rules. [98623]

Dawn Primarolo: Transitional arrangements included measures for both subcontractors and contractors and were agreed in order to provide a breathing space for the industry at the start of the scheme.

The arrangements for subcontractors were announced in an Inland Revenue Press issued on 7 July. The arrangements for contractors were announced in a Press Release on 15 July. Further information about the arrangements was included in a Press Release issued on 30 July.

The Inland Revenue also issued a letter to every known contractor to tell them about the arrangements. Those contractors who applied for a transitional dispensation were given the additional information that they needed to operate the dispensation rules correctly when the dispensation was granted.

All transitional arrangements ended on 5 November 1999. There are no plans to issue further information to the public on these arrangements now that they have come to an end.

Welfare Payments

Mr. Burstow: To ask the Chancellor of the Exchequer if he will estimate the cost and number of beneficiaries of reintroducing the dependent relative's tax allowance. [98460]

Dawn Primarolo: The dependent relative allowance was abolished in 1988. In 1987–88 there were around 320,000 benefiting from it at a cost to the Exchequer of £10 million.

Private Finance Initiative

Mr. Love: To ask the Chancellor of the Exchequer how many Private Finance Initiative contracts have been agreed in each year since its inception; how much was spent on such contracts in each of these years; what is the latest estimate of expenditure under the Private Finance Initiative in each of the next five years; and if he will make a statement. [99639]

Mr. Andrew Smith: The Treasury is currently updating the information sought as part of its normal bi-yearly reporting of information on PFI contracts. I expect this information to be published in the first half of December.

Anti-personnel Mines Sales

Dr. Tonge: To ask the Chancellor of the Exchequer what representations have been made to HM Customs and Excise regarding alleged sales of anti-personnel mines at the Defence Systems and Equipment International exhibition in Chertsey, Surrey; and if he will make a statement. [99509]

Dawn Primarolo: The Commissioners of Customs and Excise are responsible for investigating breaches of the Landmines Act 1998 which involve the movement, or the proposed or attempted movement, into or out of any country of objects prohibited by the Act. It is not the normal practice of the Commissioners to disclose publicly information provided to them in connection with their enforcement and investigation responsibilities.

Television Licences

Mr. Burstow: To ask the Chancellor of the Exchequer if he will set out the costs of introducing the free television licence for those persons aged over 75 years in each of the next 10 years. [98510]

Janet Anderson: I have been asked to reply.

The estimated cost of the concession in the first full year is around £290 million. Costs in future years will depend on the number of households with a person aged 75 years or over and the level of the television licence fee, which is not fixed for the next ten years.

Consultants

Mr. Don Foster: To ask the Chancellor of the Exchequer what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99491]

Miss Melanie Johnson: I refer the hon. Member to the answer I gave him on 10 November 1999, *Official Report*, columns *647–48*. No expenditure has been incurred on external consultants and advisers from programme provision since May 1997.

Fuel Duty

Mr. Loughton: To ask the Chancellor of the Exchequer how much of the change in the figures for carbon emission savings from fuel duties, set out in the pre-Budget report, relies on (i) reduced mileage travelled by vehicles and (ii) reduced emissions resulting from technological improvements in car engines. [99187]

Mr. Timms *[holding answer 22 November 1999]:* The Pre-Budget Report set out that the fuel duty escalator from 1996 to 1999 is estimated to produce carbon savings of 1 to 2.5 million tonnes of carbon by 2010.

NORTHERN IRELAND

Northern Ireland Assembly

6. **Sir Teddy Taylor:** To ask the Secretary of State for Northern Ireland what arrangements are being made for the provision of the finances of the proposed devolved Assembly for Northern Ireland. [98769]

Mr. Mandelson: The funding arrangements for devolved administrations are set out in "Funding the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly—A Statement of Funding Policy" published by HM Treasury on 31 March 1999. Provision for the cost of the Northern Ireland Assembly and the local Departments will be found from within the resources transferred on devolution.

Decommissioning

7. **Mr. Donaldson:** To ask the Secretary of State for Northern Ireland what progress has been made on the decommissioning of illegal terrorist weapons in Northern Ireland. [98770]

Mr. Ingram: Following the completion of the Mitchell review, the basis now exists for devolution to occur, for the institutions to be established, and for decommissioning to take place as soon as possible. We intend that on 2 December devolution will take effect, the Executive will meet and then the paramilitary groups will appoint their authorised representatives, all on the same day, in that order.

High-technology Manufacturing

8. **Mr. Fabricant:** To ask the Secretary of State for Northern Ireland what steps he is taking to promote the introduction of high-technology manufacturing in Northern Ireland. [98771]

Mr. McFall: The Industrial Development Board for Northern Ireland (IDB), the agency charged with attracting inward investment, continues its aggressive marketing and sales campaigns world-wide with particular emphasis on high-technology sectors such as telecommunications, electronics and E-commerce. They are following up on last year's successful promotional tour in North America, a year in which I am delighted to say they achieved a record number of new investments. The Industrial Development Board is also working actively with local companies to encourage high added value investments and sustainable employment in these sectors.

Employment

9. **Mr. Goggins:** To ask the Secretary of State for Northern Ireland what assessment he has made of prospects for employment in Northern Ireland. [98773]

Mr. McFall: I refer my hon. Friend to the reply I gave earlier to my hon. Friend the Member for Doncaster, Central (Ms Winterton).

22. **Ms Blears:** To ask the Secretary of State for Northern Ireland what measures he is proposing to increase the prospects for employment of young people. [98786]

Mr. McFall: The Training and Employment Agency has introduced a number of measures to increase the prospects for employment of young people namely, New Deal, Graduate Development Programme and other management development programmes. In addition Government have given a guarantee of training places to all young people under 18 in Northern Ireland. This is delivered through Jobskills and the Modern Apprenticeship Programme.

Punishment Beatings

10. **Mr. Swayne:** To ask the Secretary of State for Northern Ireland how many punishment beatings have taken place in each month since the Good Friday agreement. [98774]

Mr. Ingram: Since the Good Friday agreement on 10 April 1998 until 21 November 1999 there have been a total of 345 attacks: 114 shootings and 231 assaults. Of the 114 shootings, 68 have been attributed to Loyalist and 46 to Republican groups. Of the 231 assaults, 148 have been attributed to Loyalist and 83 to Republican groups. I have arranged for a copy of the monthly figures to be placed in the Library.

12. **Mr. Barnes:** To ask the Secretary of State for Northern Ireland what representations he has received concerning the establishment of an anti-intimidation unit relating to punishment beatings and threats. [98776]

Mr. Ingram: The establishment of such a unit has so far been raised only by my hon. Friend the Member for North-East Derbyshire (Mr. Barnes) and by my right hon. Friend the Member for Birkenhead (Mr. Field). I shall be writing to my right hon. and hon. Friends with a detailed response on this issue shortly.

Peace Process

11. **Mr. Peter Bottomley:** To ask the Secretary of State for Northern Ireland if he will make a statement on political development in Northern Ireland. [98775]

15. **Mr. Gareth R. Thomas:** To ask the Secretary of State for Northern Ireland what further action he is taking to encourage the peace process in Northern Ireland. [98779]

16. **Mr. Simon Hughes:** To ask the Secretary of State for Northern Ireland what is the timetable for progress in *(a)* decommissioning of weapons and *(b)* bringing devolved Government into operation in Northern Ireland. [98780]

17. **Mr. Curry:** To ask the Secretary of State for Northern Ireland if he will make a statement on progress towards establishing a devolved Government in Northern Ireland according to the terms of the Good Friday agreement. [98781]

26. **Mr. David Taylor:** To ask the Secretary of State for Northern Ireland what progress is being made on the implementation of the Good Friday agreement. [98791]

27. **Mr. Bill O'Brien:** To ask the Secretary of State for Northern Ireland if he will make a statement on the outcome of the Mitchell review. [98792]

28. **Mr. Corbyn:** To ask the Secretary of State for Northern Ireland if he will make a statement on the progress of the peace process. [98793]

Mr. Mandelson: I refer my hon. Friends, the hon. Members and the right hon. Member to the reply I gave to my hon. Friend the Member for Broxtowe (Dr. Palmer) on 24 November 1999, *Official Report*, column 604.

Civic Forum

13. **Mr. Woolas:** To ask the Secretary of State for Northern Ireland what progress is being made on the establishment of a civic forum in Northern Ireland. [98777]

Mr. Mandelson: On 16 February 1999 the Assembly agreed a report from the First and Deputy First Ministers (designate) which included arrangements for a consultative Civic Forum. The report identified the sectoral interests which should be represented and guidelines which should be adhered to by nominating bodies. Work is ongoing to ensure the establishment of the Civic Forum within six months of devolution.

Pensioners

14. **Barbara Follett:** To ask the Secretary of State for Northern Ireland what assessment he has made of the impact of the Chancellor's pre-Budget report statement of 9 November 1999, *Official Report*, columns 883–906, on the living standards of pensioners in Northern Ireland. [98778]

Mr. George Howarth: Pensioners in Northern Ireland are benefiting fully from the Government's strategy to provide effective help for today's pensioners. The extension of the 10p income tax rate to savings, free TV licences for older pensioners together with the other

measures already announced, including the £100 Winter Fuel Payment and extra targeted support for poorer pensioners through the Minimum Income Guarantee, reinforce the Government's commitment to pensioners throughout the United Kingdom .

EU Structural Funds

18. **Judy Mallaber:** To ask the Secretary of State for Northern Ireland what consultation he is having in Northern Ireland on future EU structural funding. [98782]

Mr. Ingram: Consultation in relation to the EU structural funds within Northern Ireland is being taken forward by the Interim EU Programmes' Development Committee which is made up of representatives of the Northern Ireland Assembly Parties, local government and the economic and social partners.

Small Business

19. **Mr. Russell Brown:** To ask the Secretary of State for Northern Ireland what assessment he has made of the impact of the Chancellor's pre-Budget report statement of 9 November 1999, *Official Report*, columns 883–906, on small businesses in Northern Ireland. [98783]

Mr. McFall: It is clearly too early to make any specific judgment in relation to the pre-Budget report's impact on small businesses in Northern Ireland. However, there are many aspects of the strategy which are aligned to the work of the Local Enterprise Development Unit (LEDU), the agency responsible for small business development in Northern Ireland.

Royal Ulster Constabulary

20. **Dr. Gibson:** To ask the Secretary of State for Northern Ireland if he will make a statement on the role played by RUC officers overseas. [98784]

Mr. Ingram: The RUC have seven officers serving with the United Nations International Police Task Force in Bosnia where they are monitoring the performance of the Bosnian police service. 60 RUC officers have recently taken up positions with the United Nations Mission in Kosovo where they are undertaking an executive policing role pending a new Kosovan police service being trained and ready to take over law enforcement there.

21. **Mr. Stephen O'Brien:** To ask the Secretary of State for Northern Ireland if he will make a statement committing the Government to the retention of the name and badge insignia of the Royal Ulster Constabulary. [98785]

Mr. Ingram: The Government are currently consulting on the proposals of the Independent Commission on Policing as required by the Belfast Agreement. An announcement on the way forward will follow completion of the consultation process.

Devolution

23. **Mr. Ian Bruce:** To ask the Secretary of State for Northern Ireland how many Ministers there will be in the devolved Northern Ireland Administration; and what the total bill will be for salaries. [98787]

Mr. Mandelson: Ten in addition to the First Minister and the Deputy First Minister. Costs in a full financial year are estimated at £1 million.

Maternity Services

24. **Helen Jones:** To ask the Secretary of State for Northern Ireland what progress he has made in improving maternity provision in Northern Ireland. [98788]

Mr. George Howarth: Over the past 12 months maternity provision has been examined throughout Northern Ireland. As a result of risk assessment exercises one unit has closed temporarily and remedial action to improve safety is under way in others. In central Belfast a decision aimed at unifying and improving maternity services will be made soon.

Mrs. Spelman: To ask the Secretary of State for Northern Ireland if he will make a statement on midwifery services in Northern Ireland. [98772]

Mr. George Howarth: The Government are encouraging Boards and Trusts to implement models of midwifery-led care which offer women greater choice. Progress is being made in this area and midwifery-led care is now available in a number of hospitals.

Paramilitary Crime

25. **Mr. Robertson:** To ask the Secretary of State for Northern Ireland if he will make a statement on the number of paramilitary crimes committed in Northern Ireland since the signing of the Belfast Agreement. [98790]

Mr. Ingram: From the signing of the Belfast Agreement on 10 April 1998 there have been a total of 47 deaths, 258 shootings and 178 bombings. These figures do not cover crimes such as armed robbery, drugs, counterfeiting, racketeering, extortion and smuggling in which paramilitary groups also engage.

In addition, there have been a total of 345 paramilitary style attacks.

Scottish Universities (Student Funding)

Mr. Dalyell: To ask the Secretary of State for Northern Ireland if he will make a statement on the financing of students domiciled in Northern Ireland studying at Scottish universities. [99437]

Mr. McFall: Such students are currently subject to the same arrangements as all Northern Ireland domiciled students who are attending universities in the United Kingdom. I am awaiting the Report of the review on fees for students in the final honours year of first degree courses at Scottish universities being carried out by an independent committee, chaired by Sir George Quigley.

External Consultants

Mr. Don Foster: To ask the Secretary of State for Northern Ireland what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99494]

Mr. Ingram: The expenditure on external consultants and advisers by Northern Ireland Departments and the Northern Ireland Office is not held in the format requested but is held under 11 specific categories. The breakdown of expenditure in the 1997–98 and 1998–99 financial years, in these categories is as follows:

Categories	*1997–98*	*1998–99*
1. Competition and Purchasing	1,119,223	800,845
2. Finance and Accountancy	880,169	1,522,867
3. Information and Control Systems	1,591,326	1,560,416
4. Management (Efficiency)	1,247,524	791,705
5. Management (Organisation and Planning)	244,236	570,911
6. Management (Personnel)	507,037	467,306
7. Marketing	729,411	907,320
8. Production Management	62,209	43,185
9. Research	990,544	1,866,529
10. Specific issues (Energy, Environment, Location/Relocation, Next Steps/GRI PFI Surveying/Valuing)	3,021,983	1,945,572
11. Capital Works Consultants	44,161	1,080
NIO[1]	472,000	813,000
Total	10,909,823	11,290,736

[1] The NIO do not provide a breakdown of their figures, and a System update since last PQ increased 1997–98 year by £54,339

CABINET OFFICE

Ministerial Meetings

Mr. David Davis: To ask the Minister for the Cabinet Office what the rules are governing the taking and keeping of minutes of meetings between Ministers and people outside the Government. [99507]

Marjorie Mowlam: It is for individual Ministers to determine their own arrangements.

Target Setting

Mr. Don Foster: To ask the Minister for the Cabinet Office how many targets have been agreed between her Department and (i) local authorities and (ii) other bodies apart from her own agencies and non-departmental bodies since May 1997. [99470]

Mr. Stringer: My Department has not set any targets directly to local authorities. Following the publication of the anti-drugs PSA, the UK Anti-Drugs Co-ordinator published his first annual report and plan which set out 43 targets for the Government to meet in relation to drugs activities and these are included in the relevant organisations' plans.

Targets resulting from the reports published by the Social Exclusion Unit are included within the relevant departments' PSAs; for example the Department of Health for the reduction in the rates of under 18 conceptions by one half by 2010.

My Department has also set seven targets in relation to commitments made in the Modernising Government White Paper—for example, that 50 per cent. of the dealings are capable of electronic delivery by 2005 and 100 per cent. by 2008 (building on the target set in 1997 by the Prime Minister that 25 per cent. of Government dealings should be dealt with in this way by 2002). Other targets include tackling the under-representation of women, people from ethnic minority backgrounds, and people with disabilities within the Senior Civil Service; on the acquisition of Investors in People status by other departments, and of National Vocational Council qualifications by individual civil servants.

PRIME MINISTER

Performance and Innovation Unit

Dr. Starkey: To ask the Prime Minister what additional projects are planned for the Performance and Innovation Unit; and if he will make a statement. [99743]

The Prime Minister: Further to the work I announced in my Answer to my hon. Friend the Member for Stafford (Mr. Kidney) on 21 October 1999, *Official Report*, column *630*, I have now asked the Performance and Innovation Unit to undertake the following project:

Strategic Options for the Electronic Delivery of Government Services

In the light of developments in technology, to take a strategic view of which public services should be delivered by electronic means and look at the options for securing delivery of these services, including the respective roles of the public and private sectors.

My hon. Friend the Member for North Swindon (Mr. Wills), Parliamentary Under-Secretary of State, Department for Education and Employment is the Sponsor Minister.

The aim is to have completed the study by next summer.

Royal Audience

Mr. Fabricant: To ask the Prime Minister how many times he has met Her Majesty the Queen for his regular weekly audience in each quarter since May 1997. [98557]

The Prime Minister *[holding answer 24 October 1999]:* With the exception of those occasions when Her Majesty has not been in London or I have been abroad or in Northern Ireland, I have been received in audience on the usual weekly basis since May 1997.

Written Answers to Questions

Thursday 25 November 1999

TRADE AND INDUSTRY

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Trade and Industry how much his Department has spent on civil servants' transport in each of the last two years. [98710]

Mr. Byers: All travel undertaken by DTI civil servants complies with the requirements of the Civil Service Management Code. The Department maintains records on the travel and subsistence costs of civil servants, but does not break down separately the transport component of this. Budgets for travel and subsistence for DTI civil servants totalled £12.9 million in 1997–98 and £13.0 million in 1998–99.

Dr. Lynne Jones: To ask the Secretary of State for Trade and Industry what motor mileage allowance rates his Department offers to *(a)* Ministers and *(b)* civil servants using their own vehicles for official business; and what has been the cost of each in each of the last five years. [98711]

Mr. Byers: When travelling on official business, Ministers may use a private car instead of an official car, and claim mileage allowances in the same circumstances and on the same terms as civil servants within the DTI. Ministers and civil servants using their own vehicles for official business may claim the following Fixed Profit Car Scheme (FPCS) mileage rates (pence per mile):

Pence per mile

Car engine size	*Up to 4,000 miles (standard rate)*	*Over 4,000 miles (lower standard rate)*
Up to 1500cc	35	20
1501–2000cc	45	25
Over 2000cc	48	34

The DTI does not record expenditure on motor mileage separately from other travel and subsistence expenses paid when civil servants or Ministers undertake official business. To provide the information requested would entail disproportionate cost.

Business Closures

Mr. Loughton: To ask the Secretary of State for Trade and Industry how many companies have gone out of business since May 1997. [98639]

Ms Hewitt *[holding answer 22 November 1999]:* There are no official statistics on the number of business closures. Collating them would impose too great a burden on business. Quarterly estimates from Barclays Bank show that there were 922,000 business closures in England and Wales in the 27 months between April 1997 and June 1999. This is the lowest total of any such period since 1990, and 26 per cent. lower than when closures peaked in the early 1990s.

Other indicators confirm that business closures are lower than in previous years. There have been 97,700 company and individual insolvencies in England and Wales since April 1997, 32 per cent. fewer than when insolvencies peaked in the early 1990s. There were 155,900 VAT de-registrations in the UK in 1998, a fall of 5 per cent. on 1997 and the lowest total for five years.

WTO Seattle Round

Dr. Tonge: To ask the Secretary of State for Trade and Industry if the implementation of the OECD guidelines on multi-national enterprises will be on the agenda of November's WTO Seattle Round. [99247]

Mr. Byers *[holding answer 23 November 1999]:* The OECD Guidelines on Multinational Enterprises are under review in the OECD. There will be a report on the progress made for the OECD ministerial meeting in June 2000. Progress so far in the working group tasked with carrying out the review has been good, with broad agreement on how to bring the text of the Guidelines more up to date. There is also broad agreement that there has to be more effective implementation and wider dissemination of the Guidelines. We believe that the results of the review will make the Guidelines of greater relevance and use for business, other organisations and governments alike.

Synchrotron

Ms Southworth: To ask the Secretary of State for Trade and Industry what steps he is taking to ensure an informed decision on the site for the new synchrotron. [99739]

Mr. Byers: I have considered the issues carefully and it is clear to me that on scientific and financial grounds the choice of a site for the new synchrotron lies between the two main sites of the Central Laboratory for the Research Councils: the Daresbury Laboratory in Cheshire and the Rutherford Appleton Laboratory in Oxfordshire. There has been a number of studies looking at the project proposals and the sites. At the same time, however, the project has been evolving, for example with the announcement in August of the French Government's participation in the project and changing views on capacity requirements and technical solutions. I am, therefore, commissioning two further studies to inform a final decision on the site.

First, I have asked the Director General of Research Councils to seek the views of synchrotron users on what they see as the key issues of relevance to a decision on the site for the new synchrotron.

Second, we will be commissioning an external engineering survey and report on the two potential sites for the new synchrotron. I have asked for this report by early January to enable me to make a final decision in the light of all the evidence and announce it by mid January.

Consultants

Mr. Don Foster: To ask the Secretary of State for Trade and Industry what has been spent by his

Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99484]

Mr. Byers *[holding answer 24 November 1999]:* Information on the budgets used for engaging consultants is not held centrally, and could be provided only at disproportionate cost.

Bilateral Concordat

Mrs. Brinton: To ask the Secretary of State for Trade and Industry when he expects to publish the bilateral Concordat between his Department and the Scottish Executive. [100334]

Mr. Byers: The First Minister and I have today agreed the text of the Concordat between the Department of Trade and Industry and the Scottish Executive. Copies of the Concordat have been placed in the Libraries of both Houses, and the text will be available on the Department of Trade and Industry website.

PRIME MINISTER

Intelligence and Security Committee

Mrs. Dunwoody: To ask the Prime Minister when he expects to lay the Intelligence and Security Committee's Annual report before Parliament. [99858]

The Prime Minister: I am grateful to the Intelligence and Security Committee for their valuable work and their latest annual report. Following consultation with them over matters which could not be published without prejudicing the continuing operation of the intelligence and security agencies, I have today laid the report before Parliament. Copies of the report have also been placed in the Libraries of both Houses.

The Government will respond formally to the report shortly.

CULTURE, MEDIA AND SPORT

External Consultants

Mr. Don Foster: To ask the Secretary of State for Culture, Media and Sport what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99490]

Mr. Chris Smith *[holding answer 24 November 1999]:* My Department has spent a total of £1,242,998, all from my Department's running costs.

Tourism Summit

Kali Mountford: To ask the Secretary of State for Culture, Media and Sport what plans he has for the Tourism Summit planned for the year 2000, as set out in the Government's tourism strategy document, "Tomorrow's Tourism". [100332]

Mr. Chris Smith: The first Tourism Summit will be held in London on 1 March 2000. It will be a small and businesslike meeting of key Ministers and top industry representatives to review progress in implementing "Tomorrow's Tourism" and to decide what more Government should do to help the sustainable growth of tourism. It will be an important stage in a wider process of reviewing progress in partnership with the industry, particularly through the reconstituted Tourism Forum. We will publish the outcome of the Summit in due course.

Bilateral Concordat

Ms Osborne: To ask the Secretary of State for Culture, Media and Sport when he expects to publish the bilateral concordat between his Department and the Scottish Executive. [100333]

Mr. Chris Smith: I am pleased to announce that the concordat between the Department for Culture, Media and Sport and the Scottish Executive has now been agreed. Copies of the concordat have been placed in the Libraries of both Houses, and the text will also be available on the Department's website.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Bus Route 32

Mr. Dismore: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the extent of *(a)* improvements in regularity and punctuality of service and *(b)* compliance with bus lane regulations, as the result of the pilot enforcement measures being tested on bus route 32 on the A5/Edgware Road corridor. [99277]

Mr. Hill: The intensive bus lane enforcement being piloted on bus route 32 is showing positive results:

(a) in rush hour traffic, London Transport Buses have reported bus journeys up to 11 per cent. faster; and,

(b) after four weeks the boroughs involved had reported a reduction in illegally parked vehicles of between 35 per cent. to 50 per cent.

Millennium Dome (Park and Ride)

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions what options are being considered for the long-term use of the Millennium Dome park-and-ride sites. [98966]

Mr. Hill *[holding answer 22 November 1999]:* Although the Millennium Experience will be a car free event, it is acknowledged that some visitors will wish to make the first leg of their journey by car. The New Millennium Experience Company is therefore to manage a small number of formal park-and-ride facilities around London at which a limited number of visitors each day, who pre-book in advance, will be able to leave their vehicles before completing their journey on convenient public transport links.

Whether in existing car parks or in specifically created sites, the park-and-ride capacity is temporary and required only for the duration of the Millennium Experience. The New Millennium Experience Company is not therefore considering options for the longer-term use of these sites.

Bathing Water

Mr. Hesford: To ask the Secretary of State for the Environment, Transport and the Regions what measures the Government are taking to improve the quality of bathing water. [99211]

Mr. Mullin: The Government have pressed for concerted action by the Environment Agency and the water companies to improve bathing water quality. This year compliance with the mandatory coliform bacteria standards of the Bathing Water Directive in England was the best ever, at 90.3 per cent. The Government also wants substantial additional investment under the current periodic review of water prices in England and Wales to increase mandatory compliance to 97 per cent. by 2005, together with a significant increase in compliance with the more stringent, guideline standards.

Greenhouse Gases (Aircraft)

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to include aircraft emissions in the UK greenhouse gases totals; and if he will make a statement. [99243]

Mr. Meacher *[holding answer 23 November 1999]:* Published UK greenhouse gas totals include emissions from domestic aviation. Emissions from international aviation are also reported with the UK greenhouse gas inventory, but are not included in the UK total in accordance with international guidelines. The allocation to countries of greenhouse gas emissions from international aviation is under consideration by the parties to the United Nations Framework Convention on Climate Change, in consultation with the International Civil Aviation Organisation.

Water Pricing

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what further guidance he has given the Director General of Water Services in the context of his periodic review of water company price limits. [100178]

Mr. Meacher: The Director General of Water Services, Ian Byatt, is currently engaged in a periodic review of water company price limits in England and Wales between April 2000 and March 2005. As part of the review, the Director General sought guidance from Ministers on the environmental and drinking water quality requirements to be placed on water companies during this period. This is an essential element in establishing the extent of companies' investment programmes and in turn enabling the Director General to fulfil his statutory duty to set price limits which enable the companies to finance the proper carrying out of their functions.

In September 1998, the Government published "Raising the Quality", which set the strategic framework of environmental and quality standards for each of the main areas of investment. In March of this year, the Environment Agency and the Drinking Water Inspectorate published material which had been endorsed by Ministers, setting out detailed requirements for each company at the level of individual investment schemes. In July, the Director General published draft price determinations and set out the assumptions on which these were based, including the size of the investment programme in each company.

One area which has been the subject of subsequent debate is the size and phasing of the environmental programme. I have looked again at the programmes of each of the nine large water and sewerage companies in England. In the case of seven of these companies (Anglian, Northumbrian, North West, Severn Trent, Thames, Wessex and Yorkshire Water) I have reconfirmed my original guidance that the entire agreed investment programme should be completed by March 2005. This encompasses work on improving rivers and unsatisfactory intermittent discharges and in upgrading coastal sewerage and sewage treatment systems. For Southern Water, I have again reconfirmed my earlier guidance that the agreed investment programme should be completed by March 2005, save for a small proportion of the programme to improve rivers.

The size of the investment programme for South West Water deserves special consideration, given the level of water bills in comparison to the remainder of the country and the scale of the environmental requirements which are necessary or desirable, particularly for coastal sewerage discharges. I have considered carefully the investment package which underlay the draft determination proposed by the Director General and have concluded that this strikes the appropriate balance between the pace of environmental improvements and the burden on water bill payers. I have also accepted the Director General's advice that a large scheme proposed by Wessex Water, designed to address low flow problems in the Hampshire Avon area deserves further study to identify the most cost-effective solution. A scheme will need to go ahead in the pricing period to address the environmental problems, once the studies are complete.

I have asked the Director General, in his final determinations, to phase the investment programmes sensibly, taking into account my stated environmental priorities, such as the early improvement of large continuous coastal sewage discharges, together with schemes to benefit key bathing and shellfish waters, within the constraints presented by the need to ensure efficient financing and practical delivery. Further discussions will be necessary between water companies and the Environment Agency before the timings of individual schemes are finalised.

The Director General also identified 63 of over 550 schemes designed to improve the quality of rivers, which he recommended should receive further study in terms of their costs and benefits before they go ahead. The Environment Agency has advised that for 14 of these schemes, the evidence suggests that no investment is necessary during the pricing period, given the current performance of the treatment works involved, while a significantly less expensive option has already been identified for one more scheme. On this basis I plan to instruct the Agency to take these 15 schemes forward. I intend to ask the Environment Agency to explore in more detail the benefits of the remaining schemes and to set them out in a way which will allow Ministers to judge these against improved information on costs from Ofwat and the companies concerned.

Improvement of the water environment is an urgent priority. This package demonstrates the Government's firm commitment to protecting the environment and delivery the objectives of sustainable development, including recognising the burden placed on water bill payers. The focus now shifts to the Environment Agency and water companies as they work together to deliver these improvements.

This programme confirms my intention to press ahead with an unprecedented water quality programme which will make England's water—whether for drinking, recreation or for the support of biodiversity—cleaner and purer than it was ever before.

I have written to the Chairman of the Environment Agency today with further details of the agreed environmental improvement programme. A copy of my letter has been placed in the Library of the House.

The Director General of Water Services will announce his final price determinations for the period 2000–05 on 25 November.

External Consultants

Mr. Don Foster: To ask the Secretary of State for the Environment, Transport and the Regions what has been spent by his Department on external consultants and advisers since May 1997 funded from (i) his Department's programme provision and (ii) his Department's running costs. [99483]

Ms Beverley Hughes *[holding answer 24 November 1999]:* Estimated expenditure on external consultants by the Department of the Environment, Transport and the Regions, funded from programme provisions and running costs since May 1997 to 30 October 1999:

£ million

Year	*DETR spend on external consultants*
Programme provision	
May 1997-March 1998	2.65
April 1998-March 1999	2.37
April 1999-October 1999	0.01
Running costs	
May 1997-March 1999	7.19
April 1998-March 1999	8.20
April 1999-October 1999	3.03

Waste Packaging

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the outcome of recent consultation on changes to the Producer Responsibility Obligations (Packaging Waste) Regulations 1997. [100179]

Mr. Meacher: I have considered the advice of the Advisory Committee on Packaging as set out in Sir Peter Parker's letter to me of 22 December 1998, in particular as this relates to changing the percentage activity obligations for each of the four main sectors of the packaging chain. Following consultation on these proposed changes and other matters, and subject to Parliamentary approval, I propose to make a number of changes to the Regulations as set out.

(i) As I indicated in my reply to the hon. Member for Elmet on 28 January 1999, *Official Report*, columns *335–37*, I have accepted the advice of the Advisory Committee on Packaging to change the percentage activity obligations and I have now consulted on this recommendation more widely. I therefore propose to change the percentage activity obligations of three of the four main sectors in the packaging chain as follows:

Reduction in the convertor obligation from 11 per cent. to 9 per cent.

Increase in the packer/filler obligation from 36 per cent. to 37 per cent.

Increase in the seller obligation from 47 per cent. to 48 per cent.

The recent consultation paper discussed the option of requiring compliance plans from individually registered businesses. The Regulations currently require operational plans to be provided by compliance schemes to the relevant Agency showing how, over three years, they propose to meet the recovery and recycling obligations of their members. Earlier advice from the Advisory Committee on Packaging on this point recommended that, where there is a significant number of individually registered businesses, they, too should plan ahead and give thought to the steps that would need to be taken to meet the mandatory Directive in 2001. In 1998, there were some 890 individual registrations with the Agencies and some 800 in 1999.

I am also aware that there has been concern among businesses who are members of compliance schemes that there would be a higher rate of non-compliance among businesses pursuing this individual route. For 1998 this proved to be true, with around 200 individually registered businesses failing to provide compliance certificates as required and a number of these failing to take steps to comply with the recovery and recycling obligations. I believe that it is important that all those obligated under the Regulations should have to consider what infrastructural development might be needed to enable the UK to meet the mandatory Directive targets in 2001. At the same time, I am concerned to ensure that smaller businesses should not be faced with disproportionate administrative burdens. I am therefore proposing that businesses registered individually with an Agency who have annual turnover of more than £5 million, should provide a compliance plan to the relevant Agency upon registration and update this annually. We will be looking carefully at the new requirement in its first year of implementation to assess its effectiveness in improving compliance and the associated administrative burdens.

(iii) In my reply to the hon. Member on 28 January 1999, I announced that the financial turnover threshold test for 2000 would be "more than £2 million" thus excluding smaller businesses in the £1 million to £2 million turnover range from the scope of the Regulations. The recent consultation document discussed a number of threshold test scenarios to see whether it was going to be possible to exclude a further number of smaller businesses. However, the Government's view is that the optimum balance of costs and benefits is to be achieved by continuing with the proposed "over £2 million" financial turnover and "over 50 tonnes" packaging handled. I am glad to confirm that these are the two threshold tests that will apply from 1.1.2000 as this will exclude a number of smaller businesses from the scope of the Regulations.

(iv) In my reply to the hon. Member referred to above I also noted that the fee charged by the Environment Agency and Scottish Environment Protection Agency would rise to £900. Since that fee was calculated in mid-1998, the Agencies have had further experience of the monitoring that is required and have had feed-back from business as to the sort of monitoring programme that is wanted to ensure that free-riding does not provide some businesses with a competitive advantage and does not inhibit the achievement of the Directive targets in 2001. The Agencies fee will therefore rise to £950 with effect from 1.1.2000.

The Competition Act 1998 comes into force on 1 March 2000. As a result, the Government is proposing to simplify the Regulations and remove the special competition scrutiny

regime to which those who propose to establish a compliance scheme are subject. All compliance schemes and individual businesses will, in any case, be subject to the Competition Act 1998 and the Office of Fair Trading can still investigate any compliance scheme which seems likely to have an anti-competitive effect.

Aircraft Detritus

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on the damage to Holy Trinity Primary School in Richmond caused by a block of ice falling from an aircraft on 19 November; and if he will make a statement on the action his Department takes to prevent such incidents. [99647]

Mr. Mullin: My Department has not received any such representations. Nor has the incident been reported to the Civil Aviation Authority.

Most icefalls from aircraft are due to ice which has formed on the outside of the aircraft detaching itself as it descends into warmer air. The accumulation of ice may be caused by atmospheric conditions, or it may occur due to leakage from a faulty seal on one of the hose sockets used to load or unload liquid to the aircraft. Incidents are rare in relation to the volume of air traffic. In the last 12 months, 24 incidents have been recorded of icefall and 16 of other falling objects; this level of occurrence has not risen in the last five years, despite significant increases in traffic over that period.

The Government take seriously all occurrences of ice and debris falling from an aircraft. The primary way to tackle the problem is to ensure that regulations on the safe manufacture and operation of Civil Aviation Authority (CAA) aircraft are adhered to. There are many such regulations: for example, before aircraft can be entered on national registers they must meet the appropriate standards for design and construction of aircraft, including resistance to leakage of on-board water or toilet systems which is cause of the build up of ice on the exterior of aircraft.

The CAA will investigate icefall incidents if possible, but it is not an easy process and it is extremely rare to confirm the origin of an icefall. The main focus has to be on striving to reduce the number of icefalls by encouraging the aviation industry to improve the relevant systems and procedures.

Non-domestic Rates

Mr. Plaskitt: To ask the Secretary of State for the Environment, Transport and the Regions what is the outcome of the consultation on the revaluation of non-domestic rates in April 2000. [100220]

Ms Armstrong: Businesses have overwhelmingly supported the need for a transitional relief scheme to phase in changes in business rate bills, as proposed in our recent consultation paper. Following that consultation, I am pleased that we can announce today limits on the size of annual increases over all five years of the new rating list.

Rate bills will fall for many properties, while others will see only modest increases. The transitional relief scheme will place maximum limits on any larger increases, with additional protection given to small properties.

The largest possible increase in bills for small non-domestic properties will be 5 per cent. in real terms in 2000–01, rising to 7.5 per cent. in each of the following four years. The threshold for these small properties will be increased to a rateable value of less than £12,000 (or £18,000 in London). The equivalent limits on bill increases for all larger properties will be 12.5 per cent. in real terms in 2000–01, 15 per cent. in 2001–02 and 17.5 per cent. in each of the following three years.

Small properties will also be given preferential treatment on the limits on the amount by which rate bills can fall in any year. Their bills will be allowed to decrease by up to 5 per cent. in real terms in the first two years, up to 10 per cent. in the third, 12.5 per cent. in the fourth and 25 per cent. in the last year. Decreases for all larger properties will be limited to 2.5 per cent. in real terms in the first two years, and 5 per cent. in the third, 7.5 per cent. in the fourth and 15 per cent. in the last year.

Revaluation does not mean that more money will be raised from the rates, since the rates multiplier (or poundage) will be reduced next year to take account of the increase in rateable value across the country. What it does mean is that the rate burden will be distributed more fairly, reflecting changes in the property market since 1995.

A number of responses to the consultation paper called on the Government to review the current system of business rate revaluation. We agree that such a review is needed. This will not be a fundamental review of the business rate, but it will look for ways of improving the approach to valuation in order to increase stability, certainty and simplicity in the system, including changes to the frequency of valuations. The details of the review will be announced in due course.

DEFENCE

Defence Statistics

Mr. Reed: To ask the Secretary of State for Defence what equipment is included in table 1.13 of the UK Defence Statistics 1999. [98484]

Mr. Kilfoyle: The commodity breakdown in table 1.3 of "UK Defence Statistics 1999" is compiled from Customs and Excise data. Further details are given in the notes to the table and in Defence Statistics Bulletin 4, a copy of which is available in the House Library. A detailed breakdown of the equipment headings for each year in table 1.3 could be provided only at disproportionate cost.

Heavy Lift Aircraft

Mr. Swayne: To ask the Secretary of State for Defence what assessment he has made of the Boeing C-17 airlifter as a potential solution to the heavy lift requirement of the armed forces; and if he will make a statement. [98726]

Mr. Kilfoyle: The Boeing C-17 is one of several options being considered to meet the RAF's requirement for heavy lift for both the short and long-term needs. We have yet to complete our assessment and I would not wish to anticipate the outcome.

I hope to be able to make an announcement in the new year.

Procurement

Mr. Reed: To ask the Secretary of State for Defence what equipment is included in table 9 of the Annual Report on Strategic Export Controls. [98487]

Mr. Kilfoyle: The list of major equipments in Table 9 of the 1998 Annual Report on Strategic Export Controls is taken from the UK's contribution to the UN Arms Register. The categories "Other Weapons including Small Arms" and "Total Value" are both taken from information collected by HM Customs and Excise. A list of the EU Customs Tariff Codes used in compiling the "Total Value" information is contained in Appendix B to the Report. The category of "Other Weapons including Small Arms" is made up of the goods listed under the three tariff codes 9301 0000 (military weapons, including artillery weapons, continuous rapid-fire weapons, rifles and carbines, and other projectile weapons), 9302 0010 (revolvers and pistols, 9mm calibre and higher) and 9302 0090 (revolvers and pistols below 9mm calibre).

A more detailed breakdown of the equipment included could be provided only at disproportionate cost.

Trigat Missiles

Mr. Hancock: To ask the Secretary of State for Defence what is his estimate of the cost of the Medium-Range Trigat missiles to be delivered in 2003. [99417]

Mr. Kilfoyle: Our current estimate of the cost of Medium-Range Trigat missiles to be delivered in 2003 is £19 million.

Mr. Chidgey: To ask the Secretary of State for Defence (1) what is the current programme for the industrialisation and production phases of the Trigat-MR ATGW; what changes have been made to the programme since 1 January; and if the project is on schedule; [99440]

(2) which countries have signed an agreement to participate in the industrialisation phase of the Trigat-MR ATGW programme; which countries he expects to sign; and on what date; [99438]

(3) what assessment he has made of the impact on *(a)* the cost and *(b)* the delivery programme of the Trigat should (i) the Netherlands, (ii) Belgium and (iii) both these countries withdraw from the programme. [99439]

Mr. Kilfoyle: Germany, France and UK, as the major participants in the programme, have signed the MR Trigat Industrialisation and Production Memorandum of Understanding (MOU). The Netherlands and Belgium have still to sign and we expect decisions to be made by both nations by early 2000, once their Governmental and Parliamentary procedures are complete. We are not able to give precise dates for these signatures.

All the participating nations have planned on the basis of a five nation collaborative programme. As such any assessment of the impacts on cost and time of one or more nations withdrawing would be speculative and much would depend on the views of the remaining nations and of industry.

The industrialisation phase of the MR Trigat is programmed to finish in late 2002. The production phase will begin shortly thereafter and is expected to complete in 2013. The UK expects to complete its acceptance trials by the summer of 2003 and the equipment's forecast in-service date is June 2005. Despite the delay in signing of the MOU by the Netherlands and Belgium, we are assured by industry that work is continuing at their own risk. This keeps the project on schedule to meet the UK's in-service date.

As regards changes in the programme since 1 January 1999, the key events have been UK signature of the MOU on 10 June 1999 and completion of contract negotiations on 30 August 1999.

Royal Navy (Women)

Mr. Cox: To ask the Secretary of State for Defence how many women members of the Royal Navy were serving at sea on 1 November. [99525]

Mr. Spellar: The number of women in the Naval Service serving at sea on 1 November 1999 was 784.

Tornado Incident

Mr. Home Robertson: To ask the Secretary of State for Defence if he will make a statement on the loss of an RAF Tornado off the coast of East Lothian on 17 November; if he will ensure that the inquiry into this incident includes consideration of the extent of exclusion zones around nuclear installations; and if he will publish the inquiry report when it is completed. [99533]

Mr. Kilfoyle: A Board of Inquiry is under way to establish the cause of this accident. The safety of nuclear power stations is a matter for the nuclear industry, which would approach us to review the extent of avoidances if they thought that insufficient safety margins existed. Once the Board of Inquiry is complete, a Military Aircraft Accident Summary of the Board's report will be produced and placed in the Library of the House in the normal way.

Service Women

Mr. Keetch: To ask the Secretary of State for Defence which posts in the Infantry and Royal Armoured Corps women are excluded from; and by what criteria his Department makes decisions as to which posts are open only to men. [99326]

Mr. Spellar: All cap-badged posts in the Regular Infantry and Household Cavalry/Royal Armoured Corps are presently closed to women, on the ground of combat effectiveness. Women can, however, serve in all deployable posts that are attached to Regular Infantry and Household Cavalry/Royal Armoured Corps units (for example, as a member of the Royal Electrical and Mechanical Engineers cap-badged Light Aid Detachment). The Government are wholly committed to maximising employment opportunities for women in the Armed Forces,

and to this end the Army is currently conducting a study into the effects of gender upon combat effectiveness, which is due to report to Ministers in 2001.

INTERNATIONAL DEVELOPMENT

Drug Producers

Dr. Tonge: To ask the Secretary of State for International Development what progress is being made by her Department in implementing alternative development in drug-producing regions of drug-producing countries. [99249]

Clare Short: Our Strategy for alternative development drug producing areas is set out in "Illicit Drugs and the Development Assistance Programme", a copy of which is in the Library. My Department is currently funding alternative development in the lower Huallaga valley in Peru and in the Chapare region of Bolivia through the United Nations International Drug Control Programme (UNDCP). We have also been funding a project in the Dir district of Pakistan.

There have been substantial reductions of coca in the Chapare region during 1998 and farm plans for agricultural diversification and soil conservation have been developed with farmers and are now being implemented. The project also involves several micro-projects, including strengthening women's groups and providing micro-credit to help the women produce flowers, vegetables and honey. Work in the Lower Huallaga valley is still in the early planning stages. The opium poppy has been virtually eliminated in the Dir district, partly through the introduction of alternative crops and development infrastructure.

Sudan

Dr. Tonge: To ask the Secretary of State for International Development what education projects her Department is supporting in Southern Sudan; and if she will make a statement. [99239]

Clare Short: We are not funding any education projects in Southern Sudan. Britain suspended bilateral aid to Sudan in 1991 following concern about the Government of Sudan's Policies on Human Rights, international issues and the continuing civil war. Substantial support for United Nations and NGO emergency programmes in Sudan continues. Sudan also benefits from DFID's Civil Society Challenge (Global) Fund, which provides matching funding for a World University Service education initiative with the displaced of Sudan.

HOME DEPARTMENT

Firefighters

Helen Jones: To ask the Secretary of State for the Home Department when he will announce the terms of reference of the Inquiry which he is establishing into the machinery for determining firefighters' conditions of service; and who will be undertaking it. [100430]

Mr. Mike O'Brien: The terms of reference of the Inquiry are:

> "To consider whether, and if so, what changes need to be made to the present procedures for determining the conditions of service (other than pay) and the working practices of firefighters employed by local authorities' fire brigades so as to secure best value, fairness at work, and effective procedures for the settling of disputes, and to report to the Secretary of State."

The Inquiry will be undertaken by Professor Frank Burchill, Professor of Industrial Relations at the University of Keele.

Professor Burchill will shortly be writing to interested parties seeking written evidence by 31 January 2000. I have asked Professor Burchill to let me have his report and recommendations by 31 March 2000.

Immigration and Asylum Act 1999

Ms Dari Taylor: To ask the Secretary of State for the Home Department what plans he has to consult on the regulations which he plans to put in place under Part VI of the Immigration and Asylum Act 1999. [100431]

Mr. Straw: I have today placed in the Library copies of a consultation paper which sets out our proposals for those regulations which we intend to put in place under Part VI of the Immigration and Asylum Act 1999. We are also sending copies of the document direct to interested groups and will make it available on the internet. The consultation period will end on 14 January 2000.

Police Grant

Mr. Derek Twigg: To ask the Secretary of State for the Home Department when he intends to announce the allocations of police grant for individual police authorities in England and Wales for 2000–01. [100432]

Mr. Straw: I have today placed a copy of my proposals for the allocation of police grant for 2000–01 in the Library. I intend to implement these proposals subject to consideration of any representation I receive about them and to approval by the House.

I am proposing to continue to allocate the greater part of police grant according to the police funding formula. I announced in my reply to the right hon. Member for East Devon (Sir P. Emery) on 2 November 1999 , *Official Report*, column 118W, that I did not intend to make any changes to the funding formula in 2000–01.

I am proposing that the Metropolitan Police Service should continue to receive additional funding in recognition of its distinct national and capital city functions. It has proved very difficult for the principal formula to take account of these special circumstances. As in previous years, a special payment of grant will be made to the Metropolitan Police Service over and above that available through the principal formula. I have set the amount of this special payment at £182 million.

In addition, I am proposing to make special payments of grant to the following police authorities in 2000–01 in

recognition of the additional costs which will be incurred as a result of the changes to the Metropolitan Police District boundaries:

	£ million
Essex	1.25
Hertfordshire	2.75
Metropolitan Police	0.50
Surrey	5.50

Other police funding proposals within the local government finance system are being announced today by my right hon. Friend the Member for North-West Durham (Ms Armstrong) and by the National Assembly for Wales. These proposals and mine would increase Total Standard Spending on the police in England and Wales by 3 per cent. or around £212 million over 1999–2000.

I have also announced that new money will be made available through the Crime Fighting Fund to recruit 5,000 more police officers over and above the number forces would otherwise have recruited over the next three years commencing in April 2000. £35 million will be ring-fenced for this purpose in year one, with further sums being made available in years two and three. This money will be ring-fenced for front-line policing.

The settlement also takes account of my commitment to improve police efficiency. I have set a target of 2 per cent. efficiency gains year on year for the police service from 1999–2000. By achieving these targets in 2000–01, police authorities can reinvest the savings to help meet front-line policing priorities. Police grant allocations in 2001–02 will depend on police authorities meeting the 2 per cent. efficiency targets which have been set. Authorities which fail to achieve the efficiency gain sought may be subject to an appropriate deduction from their resources.

I expect police authorities in England to exercise restraint and sound financial management by setting budgets that are responsible, prudent and reasonable. We shall be monitoring the position very carefully. The National Assembly for Wales is responsible for exercising reserve powers to limit council tax increases in Wales.

The effect of my proposals for each police authority for 2000–01 is set out in the table. It also shows the allocations approved by Parliament for 1999–2000.

£ million

Police authority	Allocation [1] 1999–2000	2000–01
English Shire forces		
Avon and Somerset	168.4	173.7
Bedfordshire	61.4	64.1
Cambridgeshire	74.8	77.2
Cheshire	109.0	111.9
Cleveland	81.7	84.7
Cumbria	60.1	62.2
Derbyshire	102.1	105.4
Devon and Cornwall	174.3	178.9
Dorset	70.1	72.4
Durham	81.3	83.9
Essex[4]	163.0	174.8
Gloucestershire	62.4	63.5
Hampshire	194.5	202.7
Hertfordshire[4]	100.0	117.3
Humberside	113.0	116.9
Kent	183.1	191.2
Lancashire	178.2	185.3
Leicestershire	102.3	105.6
Lincolnshire	63.4	65.4
Norfolk	83.4	86.5
North Yorkshire	77.6	79.7
Northamptonshire	65.3	67.7
Nottinghamshire	126.3	130.0
Staffordshire	113.0	116.7
Suffolk	68.6	70.9
Surrey[4]	91.9	112.9
Sussex	166.4	172.5
Thames Valley	224.6	231.8
Warwickshire	52.2	54.3
West Mercia	113.0	117.2
Wiltshire	64.9	66.7
English Metropolitan forces		
Greater Manchester	375.7	386.0
Merseyside	236.3	242.2
Northumbria	213.0	218.4
South Yorkshire	171.3	177.2
West Midlands	380.6	392.7
West Yorkshire	286.3	297.1
London forces		
Metropolitan Police[2, 4]	1,743.9	1,732.2
City of London[3]	55.4	56.5
English Total	6,852.8	7,046.2
Welsh forces		
Dyfed-Powys	51.7	53.1
Gwent	69.7	71.9
North Wales	75.5	77.4
South Wales	163.8	167.6
Welsh Total	360.8	370.1
Total	7,213.6	7,416.3

[1] Rounded to the nearest £100,000. The Allocation is the sum of Police Grant, Transitional Grant, Police SSA, Capital Finance SSA, SSA Reduction Grant and Central Support Protection Grant.

[2] Figures for the Metropolitan Police does not include funding allocated to the Receiver under the Environmental, Protective and Cultural Services SSA for school crossing patrols. Magistrates' Courts and the Probation Service. It does include its Special Payment.

[3] Figure for the City includes Police SSA, Grant and SSA Reduction Grant, but excludes other SSAs (e.g. Capital Financing) and Central Support Protection Grant. These are allocated to the Common Council of the City of London as a whole in respect of all its functions.

[4] These authorities will be affected by the changes to police force boundaries around London on 1 April 2000. To provide comparison, indicative 1999–2000 totals for these authorities as on the new boundaries are Essex: £169.8 million, Hertfordshire: £114.3 million, Surrey: £113.6 million and Metropolitan Police: £1,701.9 million.

Asylum Applicants (Support)

Mr. Ian Stewart: To ask the Secretary of State for the Home Department what arrangements he will make for the payment of £50 per person for all asylum applicants who remain in the new support system for more than six months. [100433]

Mr. Straw: I announced during the passage of the Immigration and Asylum Bill that where asylum seekers remained on the main support system in part VI of the

Immigration and Asylum Act 1999 (which is due to come into effect on 1 April) for more than six months through no fault of their own, they would be eligible for an additional payment of £50 per person in order to obtain replacement items such as clothes, shoes and other essentials. This payment will not be available to those who are on the statutory interim arrangements (in schedule 9 to the Act), nor will it apply to those who are in receipt of social security benefits. The six-month period will not begin until an asylum seeker has been accepted for support under section 95 of the Immigration and Asylum Act 1999.

Asylum seekers will need to apply for the additional provision setting out the length of time that they have been in the support system and indicating the items which they need to replace. This information will act as a prompt to the payment of the additional provision, but also as a survey to enable us to review the amount to be paid and the purposes for which it is to be used. Once an application has been received, due consideration will be given provided there is no evidence that the asylum applicant has failed to comply with the asylum support procedures or has actively sought to frustrate or delay progress on the asylum application.

Correspondence

Mr. Austin: To ask the Secretary of State for the Home Department when he will reply to letters to the Asylum Directorate from Powell and Co., dated 17 May, 17 June, 8 July, 17 September and 19 October, concerning a constituent (Home Office reference D282723) of the hon. Member for Erith and Thamesmead; and if he will make a statement. [99771]

Mrs. Roche: Following receipt of Powell and Co. solicitor's letter of 17 May, the Immigration and Nationality Directorate (IND) replied in June. There is no trace of any further letters. IND have telephoned the solicitors in order to resolve the matter.

Mr. Kaufman: To ask the Secretary of State for the Home Department when he intends to reply to the letters to him dated 4 August, 10 September and 14 October from the right hon. Member for Manchester, Gorton, with regard to Cleveland Savory. [99768]

Mrs. Roche: I am very sorry my right hon. Friend has not received a reply to his letters. I will be writing to him shortly.

Mr. Kaufman: To ask the Secretary of State for the Home Department when he intends to reply to the letters to him dated 15 July and 16 September from the right hon. Member for Manchester, Gorton with regard to Mr. Y. Belarbi. [99769]

Mrs. Roche: My right hon. Friend the Home Secretary wrote to my right hon. Friend on 23 November.

Mr. Kaufman: To ask the Secretary of State for the Home Department when he intends to reply to the letters to him dated 12 August, 16 September and 14 October from the right hon. Member for Manchester, Gorton with regard to Ms L. M. Mtato. [99767]

Mrs. Roche: I wrote to my right hon. Friend today. I am sorry for the delay in replying.

Immigration and Nationality Directorate

Mr. Austin: To ask the Secretary of State for the Home Department what is the *(a)* target response time and *(b)* average response time for written inquiries to the Asylum Directorate. [99770]

Mrs. Roche: The Immigration and Nationality Directorate (IND) answer general written inquiries on a wide range of issues. The statistics available do not distinguish asylum-related inquiries from others. The IND does not keep statistics on the average response time for this correspondence.

Eurodac Regulation

Mr. Lidington: To ask the Secretary of State for the Home Department when he expects the European Council to consider the Commission's proposals to transfer to the Commission competence for the implementing provisions of the Eurodac Regulation. [98732]

Mrs. Roche: It is understood that these proposals are to be considered at the Justice and Home Affairs Council on 2 and 3 December 1999.

Young Offenders

Mr. Crausby: To ask the Secretary of State for the Home Department if he will conduct a national review of the care of vulnerable young prison inmates in young offenders centres. [98673]

Mr. Boateng: A review was carried out of all forms of secure accommodation for young offenders and young people held on remand as part of the Comprehensive Spending Review (CSR). As a result, a programme of reform of the current arrangements was announced by my right hon. Friend the Home Secretary in a reply to my hon. Friend the Member for Stretford and Urmston (Ms Hughes), now the Parliamentary Under-Secretary of State for the Department of the Environment, Transport and the Regions, on 29 July 1998, *Official Report*, columns 255–56W. This included the provision of £51 million to improve accommodation and regimes for under-18-year-olds in prison custody. These resources will provide for a new distinct estate for 15 to 17-year-old boys and enhanced regime standards to operate within it. This will support the delivery, from April 2000, of the new custodial sentence for under-18-year-olds under the Crime and Disorder Act 1998, the Detention and Training Order. The new regime standards emphasise the importance of safeguarding the welfare of the young person, recognising the needs and vulnerability of this age group.

In addition, three units are being created within Young Offender Institutions for young people sentenced under section 53 of the Children and Young Persons Act 1933 to meet their special needs where relevant.

The review also resulted in a new central co-ordinating role for the Youth Justice Board for England and Wales. From April 2000, the Board will be responsible for the commissioning and purchasing of places in all forms of juvenile secure accommodation.

Drug-related Crime

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department what national initiatives have been introduced to reduce drug-related crime in each year since 1992. [98595]

Mr. Charles Clarke: National initiatives to reduce drug-related crime introduced since 1997 include the piloting of the new Drug Treatment and Testing Order, for which around £60 million has been earmarked for national roll-out next year, an additional £76 million over the next three years for tackling drug misuse in prisons and up to £20 million over the next three years to promote the development of arrest referral schemes to get drug misusing offenders into treatment.

No information is available on initiatives prior to that date.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department if he will list the initiatives taken between 1992 and 1997 on Merseyside to reduce drug-related crime. [98592]

Mr. Charles Clarke: A record of the initiatives that have been taken on Merseyside between 1992 and 1997 to reduce drug-related crime is not held centrally.

Trial by Jury

Mr. Hilary Benn: To ask the Secretary of State for the Home Department (1) in what percentage of cases where a defendant has opted for trial by jury the defendant has subsequently pleaded guilty before the case was heard for each year since 1980; [99403]

(2) for each year since 1980, in respect of defendants who have opted for trial by jury and then changed their plea to guilty before the case was heard, what percentage of such defendants had no previous criminal conviction. [99405]

Mr. Charles Clarke: Statistics on pleas in the Crown Court are collected centrally, but they do not record whether the defendant elected for trial or was directed by magistrates. However, there is some information available from the baseline data collected by the Home Office in 1998 for the evaluation of the pilot schemes to reduce delay in the criminal justice system. In a sample of nearly 1,000 cases in the six pilot areas, about 60 per cent. of those who elected for the Crown Court pleaded guilty before the trial started.

Separate Home Office research conducted in 1989–90 suggested that nearly 90 per cent. of those who elected for jury trial and were convicted had previous convictions.

Right-wing Parades

Mr. Dismore: To ask the Secretary of State for the Home Department if he proposes to take any action over the parading this year by extreme right-wing groups at the Cenotaph, and over the possibility of such parades in the future. [99276]

Mr. Charles Clarke: It is the role of the Metropolitan police to control demonstrations and marches to preserve the peace, uphold the law and to prevent the commission of offences. Police tactics and decisions on how to achieve these objectives are a matter for the independent operational judgment of the Commissioner. There is, of course, a balance to be struck between protecting the rights of those undertaking lawful activities and the rights of demonstrators and marchers. Violent activity or inciting racial hatred are not legitimate forms of protest and the police and the courts have the power to deal with these offences under the provisions of the Public Order Act 1986. The investigation of complaints about incitement of racial hatred or other public order offences rests with the police as part of their general duties in the enforcement of criminal law

Any planned march for next year will be considered by the police, who have the power to impose conditions or, if they believe that conditions would be insufficient to prevent public disorder, to seek the Secretary of State's permission to ban the march.

Fireworks

Mr. Hancock: To ask the Secretary of State for the Home Department (1) how many prosecutions there have been in each of the last five years for the sale of fireworks to children; and if he will make a statement; [99293]

(2) how many prosecutions there have been in each of the last five years for selling unsafe fireworks; and if he will make a statement. [99294]

Mr. Charles Clarke: Information held centrally on the Home Office Court Proceedings Database does not identify separately the offence of "selling of gunpowder to children" under section 31 of the Explosives Act 1875 from other summary offences under the Explosives Acts.

The Database shows no defendants proceeded against for the triable either-way offence of selling unsafe fireworks (section 32 Explosives Act 1875—Sale of gunpowder to be in closed packages labelled) from 1994 to 1998 inclusive.

Police Funding

Mr. Maclean: To ask the Secretary of State for the Home Department (1) what plans he has to implement the recommendations resulting from his Department's research into the cost of policing in rural areas; and if he will make a statement; [99224]

(2) when he intends to announce details of the police funding formula for 2000–01; [99227]

(3) what was the cost of his Department's research into the sparsity element of the police funding formula; [99226]

(4) what were the main conclusions of the recent research into the cost of policing in rural areas. [99225]

Mr. Charles Clarke: I refer the right hon. Member to the reply given by my right hon. Friend the Home Secretary to the right hon. Member for East Devon (Sir Peter Emery) on 2 November 1999, *Official Report*, column 118W.

The needs of police forces with sparsely populated rural areas are already taken into account in the current police funding formula. The research study found that there were additional costs involved in the policing of sparsely populated rural areas and recommended that the police funding formula should be changed to reflect these costs.

The report's findings were considered by a Home Office-chaired Working Group, which included representatives of police forces and police authorities. There was no single view within the Working Group on the conclusions of the research report.

There was general agreement that a sparsity factor had been detected, but less agreement about how to include it appropriately in the police funding formula.

I understand the wishes of rural police forces to see the research findings implemented. Before doing so, the Government will need to be satisfied that the research has provided a final answer to this question which is beyond dispute or challenge.

For 2000–01, we propose to set considerable store by stability in the grant system to help police authorities plan ahead. In the July 1998 White Paper, "Modern Local Government—In Touch With the People", my right hon. Friend the Secretary of State for the Environment, Transport and the Regions said we would not expect to make fresh changes to the method of calculation of Standard Spending Assessments (SSAs). This applies equally to the method of calculation of police grant, as a common formula is used for distribution of police grant and SSA.

Our present intention is that, subject to consultation and approval by the House, we shall not make any changes to the method of police grant distribution, or revenue support grant distribution, generally for 2000–01. We do not therefore propose to make any substantive changes to the operation of the police funding formula for next year.

We shall be announcing shortly the proposed funding allocations for police authorities in England and Wales for 2000–01.

The cost of the research study was around £72,000.

European Council (Judicial Decisions)

Mr. Mitchell: To ask the Secretary of State for the Home Department which bodies have been consulted concerning relevant draft legislative proposals on mutual recognition of judicial decisions; what will be the purpose of the measures in the programme proposed by the European Council relating to this subject; and if he will list the purpose of each measure of primary legislation, and its title, required to put the programme into effect. [99410]

Mr. Charles Clarke: I refer my hon. Friend to the reply given to him by my hon. Friend the Minister of State, Home Office on 3 November 1999, *Official Report*, column 194W.

PRESIDENT OF THE COUNCIL

Millennium Compliance

Ms Moran: To ask the President of the Council if she will make a statement on progress in dealing with the Millennium bug. [99724]

Mrs. Beckett: I am pleased to update Members with the results of the November monthly review of progress in tackling the Millennium bug across Government. The completed questionnaires will all be placed in the Libraries of the House and published on the internet as normal. This report follows on from my statement to the House on 28 October. I am also reporting on preparedness across the national infrastructure, including key services delivered by the wider public sector.

Central Government

I am delighted to report that work on business critical systems is now complete in all Government Departments and Agencies with one exception. This means that systems have been fixed, tested and successfully put back into operation.

The MOD has completed over 99 per cent. of work on its critical systems. Although there has been a small slippage within part of MOD's complex programme, this has been offset by progress elsewhere, and its critical systems are now predicted to be completed by the end of November. In any event robust and tested contingency plans are in place to maintain defence capability.

Business Continuity Plans (BCPs) and Millennium Operating Regimes (MORs) are essential safeguards against the impact of unforseen bug failures and the other particular pressures of the Millennium holiday period. I am pleased to say that all Departments and Agencies now have robust and tested BCPs and MORs in place.

I reported, in my last statement, that as part of the Central Government MOR, Government and the key infrastructure providers would be testing proposed information flows. Exercise Herald took place on 26 October and showed that the structures being put in place are robust. The exercise also identified some areas for further development. These lessons are being factored into the Central Government MOR.

The Wider National Infrastructure

Independent assessments of the readiness of the national infrastructure with respect to Y2K compliance and business continuity planning have been undertaken as part of the National Infrastructure assessment project run by Action 2000. Organisations within the programme are also required to have millennium operating regimes in place.

In my last statement to the House, I reported that all but a very few areas of the national infrastructure were rated as 100 per cent. blue—this means that independent assessors have not identified any risk of material disruption as a result of their full assessment, and that the public can expect a normal service. These sectors included utilities such as electricity and water, as well as police, fire, telecommunications and healthcare. I am pleased to report that those few organisations which were not then blue have now achieved blue status. This included various local authorities in Northern Ireland, gas shippers and suppliers, Scottish Islands transport, seven medium-impact financial institutions, Housing Associations in England, and Manchester Metrolink light railway. The UK infrastructure is therefore now 100 per cent. blue.

International

While the UK remains one of the world leaders in tackling the Millennium bug, the Government has also been proactive in offering financial and technical assistance to other countries, both bilaterally and through international organisations such as the World Bank Info Dev fund and the International Year 2000 Co-operation Centre (IY2KCC). The £10 million we gave to the Info Dev fund to assist Year 2000 work in-less developed

countries remains the largest single donation. The MOD has been proactive in raising awareness of defence aspects of the Year 2000 problem and exchanging relevant information.

Conclusion

Although almost all testing across government and the national infrastructure is now complete, the possibility of failures, however low, still remains. With less than 40 days to the Millennium, we cannot rest on our laurels. To address any remaining or unforeseen risks, we are asking all providers of key services—including government departments—to keep their business continuity plans under review so they can continue to deliver essential services come what may.

There has been a vast amount of work in the UK to prepare for the Millennium bug—indeed the UK is generally acknowledged to be among the front rank in the world in terms of readiness. We have less information about other countries, so cannot be confident that the rest of the world will be ready. We can only prepare against potential disruption and make contingency plans to minimise any impact.

The Government will continue to lead by example and be open and transparent. I will make a final report for 1999 to the House in December by way of an oral statement.

HEALTH

Unethical Health Professionals

Mr. Dobbin: To ask the Secretary of State for Health what plans he has to improve protection of the public from bogus, dangerous and unethical health professionals covered by the Council for Professions Supplementary to Medicine. [98493]

Mr. Hutton: We understand that the Council for Professions Supplementary to Medicine (CPSM) publishes the names of all practitioners who have been subject to disciplinary proceedings and notifies employers of any practitioner who has been struck off. We have emphasised to National Health Service employers their responsibility for verifying the registration of prospective employees.

CS Spray

Mr. Hesford: To ask the Secretary of State for Health what plans the Government have to order a study to be made on the effect of CS spray on detained persons who are apparently mentally ill; and if the Government will ensure that the use of CS spray on detained persons in such circumstances is suspended pending such a study. [98450]

Mr. Hutton: The independent Committee on Toxicity recommended follow-up studies on persons sprayed with CS spray. This work is being taken forward by the Home Office and the Department and will aim to take into account any current use of neuroleptic medication. We have no other plans to order a study pending the outcome of this work.

The use of CS spray is an approved police procedure and should be used in accordance with national guidelines. Chief Police Officers are encouraged to liaise with local health authorities and social services to ensure that there is a clear understanding of procedures to be used where persons are apparently mentally ill.

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Health how much his Department has spent on civil servants transport in each of the last two years. [98695]

Yvette Cooper: The amount spent on civil servants transport in the Department was £6.369 million in 1997–98 and £5.670 million in 1998–99.

Caesarians

Mr. Lilley: To ask the Secretary of State for Health what proportion of births were delivered by Caesarian operation in each *(a)* maternity unit, *(b)* health trust and *(c)* health authority in England in the last year for which figures are available. [98499]

Yvette Cooper: The information requested has been placed in the Library.

Nurses

Miss McIntosh: To ask the Secretary of State for Health how many nurses were employed at *(a)* York Health Services NHS Trust, *(b)* Northallerton Health Services NHS Trust and *(c)* Harrogate Health Care in (i) 1999, (ii) 1998 and (iii) 1997. [99053]

Mr. Hutton: The information requested is in the tables.

Unvalidated figures for 1999 indicate a steady position in both Harrogate and Northallerton with an increase in both head count and whole-time equivalents of qualified nurses in York.

The figures have fallen in Harrogate due to the completion of the new Harrogate District Hospital and the closure of Harrogate General Hospital.

All three trusts are provided with pre-registration nurse education by the University of York. Commissions for training places at York University have increased as follows:

Year	*Number*
1996–97	174
1997–98	187
1998–99	202
1999–2000	222

NHS Hospital and Community Health Services (HCHS): nurses, qualified and unqualified, by specified trusts, as at 30 September each year

	1997		*1998*	
Trusts	*hc* [1]	*wte* [2]	*hc* [1]	*wte* [2]
Total	3,850	2,820	3,400	2,620
Harrogate Health Care NHS Trust				
Total	920	730	900	690
Qualified	650	530	650	520
Unqualified	270	200	250	170

NHS Hospital and Community Health Services (HCHS): nurses, qualified and unqualified, by specified trusts, as at 30 September each year

Trusts	1997 hc [1]	1997 wte [2]	1998 hc [1]	1998 wte [2]
Northallerton Health Services NHS Trust				
Total	590	460	590	460
Qualified	430	340	530	420
Unqualified	160	120	60	40
York Health Services NHS Trust				
Total	2,340	1,630	1,910	1,470
Qualified	1,740	1,220	1,400	1,100
Unqualified	590	410	510	370

[1] hc—indicates number
[2] wte—indicates whole time equivalent
Notes:
Figures are rounded to the nearest ten.
Due to rounding totals may not equal the sum of component parts.
Figures exclude learners and agency staff.
Source:
Department of Health Non-Medical Workforce Census.

European Health Council

Mr. Hood: To ask the Secretary of State for Health what the outcome was of the Health Council held in Brussels on 18 November; and if he will make a statement. [99515]

Ms Stuart: I attended the Health Council on 18 November in Brussels on behalf of the United Kingdom.

The new Commissioner for Health and Consumer Protection, David Byrne, presented the Commission's fourth report on health protection in other Community policies and his ideas on the future Community public health strategy. This information was welcomed by Ministers and a Council Resolution on health protection in other Community policies was then adopted. The Commissioner reported on the adoption by the Commission of a proposed directive on the manufacture, presentation and sale of tobacco products, which includes changes to the labelling and tar content of tobacco products. Commission reports on progress achieved in relation to public health protection from the harmful effects of tobacco and on developments on the negotiations taking place on the World Health Organisation's tobacco framework convention were presented. Following an open debate on the general policy of reduction of tobacco consumption, Council Conclusions were adopted on combating tobacco consumption. A Council Resolution was adopted on mental health promotion and progress was noted on a Resolution on antibiotic resistance to be adopted by the Agriculture Council in December. The Presidency reported on health issues beyond the present European Union borders, including: health in the applicant countries; health questions related to the Northern Dimension and the common strategy on Russia; and the euro-mediterranean conference of Health Ministers to be held in December. The Council noted that Conclusions had been adopted at a previous Council on the importance of co-operation with the applicant countries in the sphere of public health. The Commission reported on its plans for a new exchange of letters with WHO to encourage effective working relations. Commissioner Byrne reported on his wide-ranging plans to transform the Community's approach to food safety, including plans to establish a European food agency. The Council took note of progress reports on two pharmaceutical directives covering clinical trials and medical devices. Under any other business, the Netherlands raised its concerns about the impact on domestic health care systems of recent European Court of Justice cases about access to health benefits in other countries.

Adoption Leave

Mr. Hilary Benn: To ask the Secretary of State for Health what guidance he has issued to NHS trusts concerning paid adoption leave for NHS staff. [99404]

Mr. Denham: Special Leave for domestic, personal and family reasons, including adoption situations, is covered in Section 12 of the General Whitley Council Handbook. This covers those staff on nationally negotiated contracts. Copies of the handbook are available in the Library.

Continence Services

Mr. Burstow: To ask the Secretary of State for Health (1) if the forthcoming guidance on continence services will seek to eliminate existing regional variations in standards of care and create a national minimum standard of continence care; [99305]

(2) if the forthcoming guidance on continence services will remove the existing ambiguity over the rights of people in residential care to receive a full NHS continence service; [99304]

(3) if the forthcoming guidance on continence services will ensure that health authorities *(a)* promote local continence services to the public and *(b)* receive funds to safeguard that promotion. [99307]

Mr. Hutton: I refer the hon. Member to the reply I gave him on 1 November 1999, *Official Report*, column 50W.

Mr. Burstow: To ask the Secretary of State for Health under what circumstances NHS policy determines whether an individual is entitled to continence services. [99306]

Mr. Hutton: Anyone with a continence problem will normally approach their general practitioner in the first instance. The GP will then decide what steps to take to treat their continence problem. This can include referral to a continence nurse specialist for appropriate treatment.

General Practitioners

Mr. Crausby: To ask the Secretary of State for Health if he will make a statement on the arrangements for the accountability of general practitioners; and to whom they are accountable. [99275]

Mr. Denham: General practitioners provide medical services to patients under statutory arrangements with a health authority. They are accountable to the health authority for the proper discharge of their obligations under their National Health Service terms of service set out in the National Health Service (General Medical Services) Regulations 1992. General practitioners, like all other doctors, are also accountable to the General Medical Council.

We have recently published for consultation "Supporting Doctors, Protecting Patients". This contains proposals for preventing, identifying and dealing with

poor performance of doctors. Copies of the consultation paper have been placed in the Library. In addition, the General Medical Council is working towards the introduction of revalidation, to ensure that the continued inclusion of a doctor's name on the Medical Register represents an assurance that the doctor has kept up to date in his or her chosen field of practice and remains fit to practice.

Correspondence

Mr. Garnier: To ask the Secretary of State for Health when a Minister in his Department will answer the letter of the hon. and learned Member for Harborough dated 29 September addressed to the right hon. Member for Dulwich and West Norwood (Ms Jowell) dealing with certain inquiries from a constituent, Mrs. Constance Foreman of Leicester. [99461]

Yvette Cooper: I replied to the hon. and learned Member on 22 November.

Fuel Poverty

Mrs. Gilroy: To ask the Secretary of State for Health what assessment he has made of the effects of fuel poverty and cold-related illnesses on *(a)* overall NHS spending, *(b)* winter admission rates, *(c)* public health and *(d)* death rates. [99111]

Yvette Cooper *[holding answer 22 November 1999]:* Fuel poverty and cold homes can exacerbate a number of illnesses such as asthma in children and respiratory and cardiovascular diseases in older people. However, poor health can be influenced by a large number of causes other than cold housing. Poverty, unemployment and unhealthy life styles are examples of interacting factors that can have at least as great an effect. Therefore, while we clearly recognise that fuel poverty and cold homes undoubtedly contribute to ill health, it is not possible accurately to assess the direct impact on winter admissions, public health, death rates or the level of National Health Service expenditure incurred.

Undertakers (Southampton)

Mr. Swayne: To ask the Secretary of State for Health what payment is made by the Southampton University Hospitals NHS Trust and the Southampton Community Hospitals NHS Trust to undertakers for the removal of bodies out of hours under the existing contractual arrangements; and if he will make a statement. [99103]

Ms Stuart: Southampton University Hospitals National Health Service Trust is forecasting payment of between £20,000 to £23,000 and Southampton Community Health Service NHS Trust an estimated £10,000 this year as part of their contracts with local undertakers.

Uranium

Mr. Livsey: To ask the Secretary of State for Health what concentrations of uranium have been measured in the tracheo-bronchial lymph nodes of people in *(a)* West Cumbria and *(b)* other regions of England in each of the last three years. [99284]

Yvette Cooper: No measurements of concentrations of uranium in tracheo-bronchial lymph nodes have been undertaken in the last three years.

Sodium

Mr. Ian Stewart: To ask the Secretary of State for Health by what date the Food and Drink Federation has told him that it expects to complete its review of the purpose and usage of sodium; and what timetable the Government have set for the food and drink industries to achieve a considerable reduction in the salt content of processed food. [99460]

Yvette Cooper: We understand that the Food and Drink Federation is expected to complete its review by the end of the year. Once the report is available, we propose to explore with the FDF the scope for reducing the levels of salt in processed foods.

"Fit for the Future?"

Mr. Waterson: To ask the Secretary of State for Health (1) how many copies of the consultation document, "Fit for the Future?", have been *(a)* printed, *(b)* applied for, and *(c)* distributed; [99303]

(2) if he will extend the period for consultation on the document, "Fit for the Future?". [99302]

Mr. Hutton: On 8 September the Department published the consultation document "Fit for the Future?". 5,000 copies were printed. The document was also placed on the Department's website on the internet where people can access it immediately.

1,500 copies of "Fit for the Future?" were distributed to a wide range of representative organisations and individuals for consultation nationally. The circular which accompanied the distribution clearly stated that the consultation document could be freely reproduced by all to whom it was addressed.

An additional 3,500 copies were sent to the Department's distributors to send to people who requested a printed copy of the consultation document.

The high demand for printed copies of "Fit for the Future?" led to stocks being exhausted in mid November leaving a backlog of orders, currently approximately 1,000, with more being received.

In the circumstances, an additional 5,000 copies of "Fit for the Future?" have been printed and these are now being issued. A letter is being sent with these copies giving recipients until 21 January 2000 to comment on the consultation document.

Tuberculosis

Mr. Dalyell: To ask the Secretary of State for Health what steps he is taking to combat tuberculosis. [99425]

Yvette Cooper *[holding answer 23 November 1999]:* I refer my hon. Friend to the reply given to my hon. Friend the Member for Pendle (Mr. Prentice) on 19 October 1999, *Official Report*, columns 468–69W.

Human Cloning

Mr. Amess: To ask the Secretary of State for Health what criteria were used to appoint members of the expert advisory group on human cloning. [99754]

Yvette Cooper: Individuals were invited to serve on the expert group in the light of their personal expertise in appropriate areas of science and medicine, including genetics, cell biology, reproductive biology, veterinary medicine, haematology, surgery and molecular biology. Three additional members were appointed for their expertise in ethics and law.

Theatre Staff

Dr. Harris: To ask the Secretary of State for Health what plans he has to increase the supply of anaesthetists and theatre staff in cardiac surgery. [99328]

Mr. Denham: We do not plan centrally the numbers of anaesthetists in cardiac surgery nor the numbers of theatre staff generally. It is for individual National Health Service trusts and health authorities, who are accountable for the quality of the services they provide, to determine the number, grade and mix of staff they will require to deliver quality services in their area.

Currently, there are enough specialists training in anaesthetics for there to be around 1,280 extra qualifying for consultant posts by 2005. At national level, numbers of higher specialist trainees in anaesthetics have been reviewed recently and we are satisfied there are sufficient to meet NHS demands for consultants over the next few years.

The National Service Framework for Coronary Heart Disease will be published shortly. This will reinforce the priority we attach to tackling coronary heart disease and set the service context within which health authorities and trusts will plan their staffing needs.

FOREIGN AND COMMONWEALTH AFFAIRS

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what motor mileage allowance rates his Department offers to *(a)* Ministers and *(b)* civil servants using their own vehicles for official business; and what has been the cost of each in each of the last five years. [98693]

Mr. Hain: The Foreign and Commonwealth Office pays motor mileage allowance at three main rates in the United Kingdom.

Public Transport rate of 24.8 pence per mile.

Standard rate (paid when official or public transport is not readily available):

up to 4,000 miles a year at 39.5 pence per mile.

over 4,000 miles a year at 22.0 pence per mile.

Ministers, when travelling on official business, may use a private car instead of an official car, and claim mileage allowance in the same circumstances and on the same terms as officials.

Details of expenditure on mileage allowances are not held centrally and it would involve disproportionate cost to obtain this information.

OSCE Summit (Istanbul)

Mr. Wyatt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the Organisation for Security and Co-operation in Europe summit in Istanbul. [99591]

Mr. Vaz: My right hon. Friend the Foreign Secretary represented the United Kingdom at the Summit meeting of the Organisation for Security and Co-operation in Europe on 18–19 November in Istanbul. The meeting agreed a Charter for European Security, an adapted Treaty on Conventional Armed Forces in Europe, and a revised Vienna Document on confidence and security building measures. Copies of these documents and the Summit Declaration will be placed in the Library of the House.

The Charter for European Security sets out principles for future security co-operation in Europe and improves the operational capabilities of the Organisation, particularly in response to crises. It also reinforces the immediate and legitimate interest of all participating states in the implementation of their commitments undertaken within the Organisation.

The Summit welcomed the signature of an adapted Treaty on Conventional Armed Forces in Europe. The adapted Treaty will provide a greater degree of military stability through strict limitations, increased transparency and lower permitted levels for conventional forces in its area of application. My right hon. Friend made it clear that UK ratification would depend on the level of compliance of all states within the agreed limits.

The revised Vienna Document incorporates various decisions taken since 1994. The Forum for Security Co-operation also agreed to study the contribution that the Organisation might make to the international effort to curb the spread of small arms and light weapons.

The situation in Chechnya was a key concern at the Summit. My right hon. Friend the Foreign Secretary discussed the issue intensively in a range of meetings with other Ministers, including the Foreign Minister of the Russian Federation. The Russian Delegation eventually accepted a passage in the Summit Declaration saying that a political solution to the situation in Chechnya was essential and that the assistance of the Organisation would contribute to achieving that goal. The Declaration also welcomed the agreement of the Russian Federation to a visit by the Chairman-in-Office to the region and reaffirmed the existing mandate of the Organisation's Assistance Group to Chechnya.

The Summit also welcomed the separate bilateral agreements between the Russian Federation and the Republics of Georgia and Moldova under which all Russian forces will withdraw from Moldova by the end of 2002 and two of the four Russian bases in Georgia will be closed by 1 July 2001.

The Summit Declaration draws attention to the Organisation's important role in early warning, conflict prevention, crisis management and post-conflict rehabilitation in its area, including particularly the work of the High Commissioner on National Minorities and the

Organisation's missions in the field. The Declaration confirms that the Organisation will continue to play an important part in the consolidation of peace in Kosovo.

Austria will assume the Chairmanship-in-Office of the Organisation in year 2000. The Summit agreed that Romania would succeed Austria in year 2001.

East Timor

Mr. Wigley: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government will apply economic sanctions against Indonesia if its Government does not take immediate and effective steps to disarm the militia whose activities are preventing refugees from returning to East Timor. [99548]

Mr. Battle: We have made it clear to the Indonesian Government that swift action to accelerate the return of displaced East Timorese to their homes is essential for Indonesia to regain its international standing. We continue to urge them in this; our Ambassador in Indonesia pressed the point during his visit from 1–4 November when he met senior local political leaders and pro-integrationists. We understand that the TNI and INTERFET are now co-operating more closely. 92,000 refugees are now reported to have returned to East Timor.

TREASURY

National Insurance

Mrs. Lawrence: To ask the Chancellor of the Exchequer if he has completed his review of National Insurance contributions for 2000–01. [100398]

Dawn Primarolo: I have completed the annual review under section 141 of the Social Security Administration Act 1992. In addition to the reforms to the National Insurance contributions announced by my right hon. Friend the Chancellor of the Exchequer in his March 1999 Budget, I propose the following changes to take effect from 6 April 2000.

Employers and Employees

In line with the Social Security Contributions and Benefits Act 1992, the Lower Earnings Limit for Class 1 contributions is to be raised to £67 a week. It is set at the level of the basic retirement pension rate for a single person from April 2000, rounded down to the nearest pound.

Class 3 (Voluntary) Contributions

The rate of Class 3 contributions will be increased by 10p to £6.55 a week.

Treasury Grant

Although benefit expenditure from the National Insurance Fund will broadly match income, I need to ensure that the Fund can maintain a prudent working balance throughout the coming year. In accordance with section 2(2) of the Social Security Act 1993, I propose to do so by prescribing that the maximum Treasury Grant which may be made available to the Fund in 2000–01 shall not exceed 2 per cent. of the estimated benefit expenditure from the Fund for that year.

I shall be laying a draft re-rating Order before Parliament together with a report by the Government Actuary describing the effects of these re-rating proposals and previously announced reforms on the National Insurance Fund.

The following table sets out the rates and thresholds for National Insurance contributions proposed for 2000–01.

National Insurance contributions proposed April 2000 re-rating

Item	*2000–01*
Lower Earnings Limit	£67
Upper Earnings Limit	£535
Primary Threshold	£76
Secondary Threshold	£84
Employee's contributions	10% of £76.01 to £535
Employee's Contracted-out Rebate	1.6%
Married Women Reduced Rate	3.85%
Employer's Contribution Rates	12.2%
Employers Contracted-out Rebate	3.0% COSR 0.6% COMP
Class 2 Self employed Contribution	£2.00
Small Earnings Exception	£3,825
Class 3 (voluntary) Contribution	£6.55
Class 4 Contributions—Upper Profits Limit	£27,820
Class 4 Contributions—Lower Profits Limit	£4,385
Class 4—Contribution Rate	7.0%

SOCIAL SECURITY

Invalid Care Allowance

Mr. Burstow: To ask the Secretary of State for Social Security (1) if he will estimate the cost and number of beneficiaries of increasing the earnings limit for invalid care allowance from £50 to *(a)* £75, *(b)* £100, *(c)* £125 and *(d)* £150; [98463]

(2) if he will estimate the cost and number of beneficiaries of creating two levels of invalid care allowance, one at a lower rate, set at the level of short-term NI benefits and paid to all carers for the first three months and thereafter to carers giving fewer than 35 hours of care a week; and one at a higher level set at the level of the basic retirement pension available after three months to all carers giving more than 35 hours of care a week. [98461]

Mr. Bayley: The information is not available.

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the cost and number of beneficiaries of continuing to pay invalid care allowance after care ends for *(a)* four weeks and *(b)* eight weeks. [98464]

Mr. Bayley: The estimated cost of continuing to pay Invalid Care Allowance (ICA) after entitlement ceases for four weeks is £10 million in 2000–01 with an estimated 50,000 gainers; and after entitlement ceases for eight weeks is £20 million in 2000–01 with an estimated 50,000 gainers.

For those who are most vulnerable and in greatest need, income is already protected via the income-related benefits, despite the loss of ICA when caring ends.

Mr. Burstow: To ask the Secretary of State for Social Security (1) if he will estimate the cost of extending the entitlement to invalid care allowance to all people of pensionable age who provide more than 35 hours a week of care *(a)* at its current level and *(b)* if it were set at the same level as the minimum income guarantee; [98465]

(2) if he will estimate the cost and number of beneficiaries of paying the carers' premium to pensioners who *(a)* provide at least 35 hours of care, and *(b)* provide care for a recipient of attendance allowance. [98462]

Mr. Bayley: If all other Invalid Care Allowance (ICA) conditions of entitlement are met, the estimated cost[1] of extending (ICA) new claims to over 65s is £5 million in 2000–01, with 35,000 gainers. In addition, and for pensioner recipients only, raising ICA to the level of the Minimum Income Guarantee (currently £75) is £105 million (after income related benefit offset) in 2000–01, with 250,000 gainers.

It is estimated that the consequent extension of carer premium entitlement to those aged over 65 would cost £15 million in Income Support (IS) in the year 2000–01[2], with 20,000 gainers, together with a much smaller sum of Housing Benefit and Council Tax Benefit. About half of this cost will arise from individuals caring for Attendance Allowance recipients[3].

[1] Source: Family Resources Survey 1997–98.

[2] Cash prices. Costs rounded to the nearest £5 million, gainers rounded to nearest five thousand.

[3] As survey based estimates the above is subject to sampling error. The accuracy of the costing is also affected by limitations of the data available on the time spent caring for a sick or disabled person. The answer depends on there being underlying entitlement to ICA and that all other ICA entitlement rules remain in place.

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Social Security how much his Department has spent on civil servants transport in 1995–96 and 1996–97. [98716]

Mr. Bayley: The information is not available in the format requested. Such information as is available is in the table.

All travel undertaken by DSS staff complies with the requirements of the Civil Service Management Code.

Expenditure on civil service transport

Year	*Expenditure (£)*
1995–96	24,158,110
1996–97	21,147,786

Note:

These amounts exclude the cost of vehicles on the Department's fleet which are used exclusively for business journeys, hire cars and travel on training and boarding.

Residential Allowance

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate *(a)* the current number of people in receipt of residential allowance and the projections for (i) 2005, (ii) 2010 and (iii) 2015 and *(b)* the cost in each case, assuming uprating continues as before. [98458]

Mr. Bayley: At May 1999, the estimated number of Income Support claimants in receipt of Residential Allowance is 195,000. The estimated annual expenditure on the Income Support Residential Allowance is £612 million.

There are no caseload or expenditure projections available for the number of people in receipt of Residential Allowance at 2005, 2010 or 2015.

Note:

Figure is based on a 5 per cent. sample of Income Support claimants at May 1999 and is rounded to the nearest thousand.

Source:

Income Support Statistics Quarterly Enquiry, May 1999.

Income Support

Mr. Denzil Davies: To ask the Secretary of State for Social Security what percentage of households in Wales were in receipt of *(a)* income support and *(b)* family credit at the most recent date for which figures are available. [98497]

Mr. Bayley: The information is not available in the format requested. However, it is estimated that as at May 1999, 9.8 per cent. of the adult population of Wales were in receipt of Income Support and an estimated 2.1 per cent. of the adult population of Wales were in receipt of Family Credit.

Sources:

1. Income Support Statistics Quarterly Enquiry, May 1999
2. Family Credit Statistics Quarterly Enquiry, May 1999.

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the cost and number of beneficiaries of increasing the capital threshold for income support entitlement from £8,000 to *(a)* £10,000, *(b)* £20,000, *(c)* £30,000, *(d)* £40,000, *(e)* £50,000 and *(f)* £60,000. [98466]

Mr. Bayley: The information is in the table.

Cost and number of beneficiaries of increasing the capital threshold for income support entitlement for people not living in residential care or nursing homes

Income Support upper capital limit (£)	*Number of beneficiaries*	*Income Support costs (£ million)*
10,000	10,000	25
20,000	25,000	50
30,000	25,000	50
40,000	25,000	50
50,000	25,000	50
60,000	25,000	50

Notes:

1. The costs are based on the 1999–2000 Policy Simulation Model derived from the 1996–97 Family Resources Survey adjusted using Income Support administrative data.
2. All costs are rounded to the nearest £5 million and all numbers to the nearest 5,000.
3. All figures exclude people living permanently in residential care and nursing homes.
4. As the IS capital limits are increased above £20,000, the number of additional floaters-on is zero. This indicates that there are no potential IS cases that have capital greater than £20,000 and income (including tariff income) below the IS threshold.

Spending Revisions

Mr. Willetts: To ask the Secretary of State for Social Security, pursuant to his statement on page 157 of the pre-Budget report, if he will give figures for the effect on

social security spending in each of the years *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02 as a result of (i) the revised assumption for unemployment, (ii) the reassessment of future rents and (iii) lower projected disability benefit caseloads. [99400]

Mr. Darling: The information is in the table. The figures are consistent with those published in the November 1999 Pre-Budget Report, and show expenditure in Great Britain.

£ million

	1999–2000	*2000–01*	*2000–02*
Revised assumption of unemployment	−1,170	−2,200	−2,380
Reassessment of future rents	−110	−260	−410
Lower projected disability benefit caseloads[1]	−250	−585	−920

[1] This figure covers changes in projected caseloads for Disability Living Allowance, Attendance Allowance, Incapacity Benefit, and Severe Disablement Allowance.

Note:

Figures rounded to the nearest £10 million

War Pensions (Disregard)

Mr. Öpik: To ask the Secretary of State for Social Security (1) what sum will be expended on disregarding war pensions when calculating income-related benefits for each local authority in England and Wales in the current financial year; and if he will make a statement; [99384]

(2) what sum was expended on disregarding war pensions when calculating income-related benefits for each local authority in England and Wales over each of the last three financial years; and if he will make a statement. [99386]

Mr. Bayley: Information is not available in the form requested. Such information as is available has been placed in the Library.

The table shows the amounts expended by each local authority in England and Wales, within their own discretionary schemes, when disregarding war pensions in the calculation of Housing Benefit and Council Tax Benefit for the years 1996–97 to 1998–99, which is the latest information available. These amounts are funded from an authority's own resources.

In addition to Housing Benefit and Council Tax Benefit expenditure by local authorities on discretionary schemes, there is further central Government expenditure on statutory disregards in Income Support, Housing Benefit and Council Tax Benefit. Details of this expenditure are not available for each individual authority and could be provided only at disproportionate cost.

Mr. Öpik: To ask the Secretary of State for Social Security what level of disregard is offered for claimants in receipt of war disablement or war widows pensions against income-related benefits for each local authority in England and Wales; and if he will make a statement. [99385]

Mr. Bayley: The information requested is not available and could be provided only at disproportionate cost.

EDUCATION AND EMPLOYMENT

Labour and Social Affairs Council

Mr. Hood: To ask the Secretary of State for Education and Employment what was the outcome of the Labour and Social Affairs Council held in Brussels on 12 November; and if he will make a statement. [98507]

Ms Jowell: I represented the Secretary of State at this meeting of the Council.

The Council discussed the employment package for the second time. Further discussion will take place at the Employment and Social Affairs Council and the Joint Council with ECOFIN on 29 November. A final version of the package is due for submission to the Helsinki European Council on 11–12 December.

The majority of the Council supported the joint Opinion of the Employment and Labour Market Committee and the Economic Policy Committee which advocated minimum change to this year's Guidelines.

The Presidency said that the text of the Joint Employment Report was now largely agreed. The Commission agreed to continue its efforts to address UK concerns over references which appear to misrepresent UK policy and were unacceptable to the UK in a text that was to be jointly agreed.

The Presidency agreed to examine any requests of delegations for further changes to their recommendations, but would do so in a manner compatible with the principles contained in the joint Opinion of the Employment and Labour Market Committee and the Economic Policy Committee.

Class Sizes

Mr. Matthew Taylor: To ask the Secretary of State for Education and Employment what was the proportion of *(a)* primary and *(b)* secondary school pupils in class sizes of more than 30 in January 1993 and January 1994. [99580]

Ms Estelle Morris: The information requested is shown in the following table:

The proportion of pupils in maintained primary and secondary schools in classes of size 31 or more taught by one teacher

	Primary	*Secondary*
1994[1]	28.2	7.8
1993[1]	26.5	7.4

[1] January each year

Proprietorial Schools

Dr. Ladyman: To ask the Secretary of State for Education and Employment how many proprietorial schools there are in England and Wales. [99837]

Ms Estelle Morris: Under the Education Act 1996 all registered independent schools must have a person or body acting as proprietor. From information available on the 2,231 registered independent schools in England, about 16 per cent. appear to be owned and managed by one or a few individual persons or a family; some 57 per cent. have charitable status; and most of the

remainder have some form of non-charitable proprietorial company or other body. Figures for Wales are a matter for my right hon. Friend the Secretary of State for Wales.

Dr. Ladyman: To ask the Secretary of State for Education and Employment what discussions he has had with the representatives and operators of proprietorial schools about the impact on them of the decisions of DETR not to issue permits under Section 19 of the Transport Act 1985. [99838]

Ms Estelle Morris: Apart from the recent letter from my hon. Friend, the Department has received no approaches from individual independent schools or their representative organisations on this matter.

SOLICITOR-GENERAL

Crown Prosecution Service

Mr. Mackinlay: To ask the Solicitor-General how many people are *(a)* under investigation and *(b)* suspended from the Crown Prosecution Service in relation to professional misconduct; and if he will make a statement. [98874]

The Solicitor-General: No professionally qualified member of the Crown Prosecution Service is currently suspended in relation to professional misconduct, although two are the subject of investigation by the professional bodies to which they belong.

It would not be appropriate to make any further statement while these investigations are continuing.

Mr. Dismore: To ask the Solicitor-General what steps he is taking to monitor and improve the performance of the Crown Prosecution Service. [98875]

The Solicitor-General: Performance management and monitoring in relation to the Crown Prosecution Service operates at three levels. First, my right hon. and learned Friend the Attorney-General has a statutory duty to superintend the work of the Crown Prosecution Service. He and I meet the Director of Public Prosecutions (DPP) and his senior staff frequently to discuss all aspects of the performance of the CPS; and we receive full briefing on current significant issues. Secondly, the DPP and his Chief Executive have developed structured arrangements for on-going appraisal of the 42 new Chief Crown Prosecutors (CCPs) and their Areas which are thorough but compatible with the decentralised structure of the CPS post-Glidewell. Thirdly, the CPS Inspectorate has embarked on a 2-year cycle to inspect all 42 CPS Areas and this will be accompanied by a programme of thematic reviews. The Government have placed before Parliament a Bill to strengthen the role of the Inspectorate by placing it on an independent statutory basis.

CABINET OFFICE

Government Car Service

Mr. Baker: To ask the Minister for the Cabinet Office what was the total cost of providing all Government Car Service services in 1998–99; and what was the estimated cost of vehicles and drivers allocated to Ministers and their private offices in 1998–99. [99136]

Mr. Ian McCartney: Responsibility for this matter has been delegated under the terms of the Framework Document to the Government Car and Despatch Agency. I have asked its Chief Executive, Mr. Nick Matheson, to write to the hon. Member.

Letter from Nick Matheson to Mr. Norman Baker, dated November 1999:

The Minister of State has asked me in my capacity as the Chief Executive responsible for the Government Car Service to reply to your Parliamentary Question about the cost of the Government Car Service.

The total cost of providing all Government Car Service services in 1998/99 was £8.06 million. The estimated cost of vehicles and drivers allocated to Ministers and their private offices as £4.32 million.

Council of the Isles

Mr. Mackinlay: To ask the Minister for the Cabinet Office if she will make a statement on the constitution of the Council of the Isles. [98789]

Marjorie Mowlam: Following devolution to Northern Ireland, the British-Irish Council will be established by the Agreement between the Government of the United Kingdom and the Government of Ireland done at Dublin on 8 March 1999 (Ireland No. 5 (1999) cm 4296). The Agreement states that the Council shall be constituted and shall operate in accordance with the provisions of the Multi-Party Agreement reached at Belfast on 10 April 1998 (Ireland No. 1 (1999) cm 4292).

Impact Assessments

Mrs. Curtis-Thomas: To ask the Minister for the Cabinet Office if she will list the occasions in the last two years when Government Departments have pressed the European Commission to carry out impact assessments; and if she will list the directives, regulations and decisions concerned. [99626]

Mr. Stringer: The Government do not keep information in the form requested and could not do so without disproportionate cost.

My right hon. Friend the Minister for the Cabinet Office raised the general question of the importance of impact assessment when she met Commissioner Liikanen recently. This is part of our commitment to ensure that regulation is fair and that it has the minimum possible negative impact on prosperity and jobs. We want the European Commission to improve and extend its procedures for carrying out impact assessments. This is an on-going process and not confined to individual directives, regulations or decisions.

My Department has also issued guidance aimed at UK Ministers and officials that reminds them of the importance of assessment from the earliest stage of proposal. Copies of this Guide to Better European Regulations and the accompanying checklist were put in the Libraries of the House on its publication last July.

Guide to Better European Regulations

Mrs. Curtis-Thomas: To ask the Minister for the Cabinet Office when the Guide to Better European Regulations was compiled; and what guidance it replaced. [99625]

Mr. Stringer: The Guide to Better European Regulations was published on 21 July 1999 after wide consultation, both within and outside Government.

The Guide replaced and superseded numerous forms of guidance.

Prior to its publication, guidelines were available to Government Departments in various forms, but never before had all the information on drafting, negotiating, presenting and implementing European legislation been available in one document and in such an accessible form.

LORD CHANCELLOR'S DEPARTMENT

Name Change

Mr. Michael J. Foster: To ask the Parliamentary Secretary, Lord Chancellor's Department what guidance the Lord Chancellor's Department issues to courts on whether a person who has legally changed his or her name by *(a)* statutory declaration and *(b)* deed poll is required to reveal any former name when appearing in court as a witness, defendant or civil litigant, or when standing surety for bail. [99393]

Jane Kennedy: The Lord Chancellor's Department has not issued any guidance to the courts. Whether a person's previous name is relevant in criminal or civil proceedings and needs to be disclosed depends on the issues in dispute and the surrounding circumstances and is for the court to decide.

Family Law Act 1996

Mrs. Virginia Bottomley: To ask the Parliamentary Secretary, Lord Chancellor's Department when he plans to implement Part II of the Family Law Act 1996. [98869]

Jane Kennedy: I refer the right hon. Member to the written Parliamentary answer to my hon. Friend the Member for Dartford (Dr. Stoate) on 17 June 1999, *Official Report*, column 213W. The position remains unchanged.

Child Abduction

Mr. Hawkins: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to amend the law to enable the Official Solicitor, when acting as *(a)* guardian ad litem, to initiate applications to a court seeking an Order to prevent the removal of a child from the jurisdiction, and *(b)* to bring application in overseas courts under the Hague Convention on International Child Abduction. [99726]

Jane Kennedy: The Government has no plans to amend the law in this way.

Mr. Hawkins: To ask the Parliamentary Secretary, Lord Chancellor's Department which factors are considered by the Official Solicitor in considering whether or not to draw to a court's attention a possible risk that a child may be abducted and taken outside the jurisdiction of the UK courts. [99725]

Jane Kennedy: The responsibility for acting to prevent the unlawful removal of a child from the jurisdiction rests with the holder of parental responsibility for the child. If the Official Solicitor is involved in the case and in the course of his inquiries discovers that there is a real and imminent danger of removal, he would advise the holder of parental responsibility so that appropriate action could be taken by that person.

The factors which would create a real and imminent danger would vary with each case, but might include the absence of the child from his usual home, information received about the purchase of tickets, or the failure to surrender the child's passport as ordered by the court.

Marriage Support

Maria Eagle: To ask the Parliamentary Secretary, Lord Chancellor's Department when the Government intend to publish Sir Graham Hart's report on the funding of marriage support, and the Lord Chancellor's response. [100434]

Jane Kennedy: Copies of Sir Graham's report, and the Lord Chancellor's response to him of yesterday, have today been placed in the Libraries of both Houses.

The Lord Chancellor agrees with Sir Graham's conclusion that public funding of marriage support agencies is highly appropriate and worth-while. The Lord Chancellor has considered Sir Graham's recommendations in detail, and accepts them.

AGRICULTURE, FISHERIES AND FOOD

Beef

12. **Mr. Swayne:** To ask the Minister of Agriculture, Fisheries and Food what recent advice he has received from the Chief Medical Officer regarding the safety of eating beef on the bone. [98848]

Mr. Nick Brown: I announced on 20 September that I and my right hon. Friend the then Secretary of State for Health had accepted the Chief Medical Officer's advice that it is now possible to lift the ban on retail sales, but desirable to retain it for manufacturing uses.

17. **Dr. George Turner:** To ask the Minister of Agriculture, Fisheries and Food what progress he has made in enabling British farmers to sell their beef overseas. [98853]

Ms Quin: As part of the progressive lifting of the beef export ban, the Government secured the adoption of the Date-based Export Scheme in November 1998. After demonstrating that we had the procedures in place to run the Scheme, exports were permitted from 1 August 1999. So far, two establishments have sought and gained approval to operate under the Scheme, and have begun exporting British beef to several EU member states.

21. **Mr. Pike:** To ask the Minister of Agriculture, Fisheries and Food what progress has been made in respect of the export of beef *(a)* within the EU and *(b)* to the rest of the world. [98858]

22. **Dr. Iddon:** To ask the Minister of Agriculture, Fisheries and Food what progress is being made on the resumption of British beef exports. [98859]

Ms Quin: So far, two establishments have sought and gained approval to export British beef under the Date-based Export Scheme. While details of their

activities are commercial-in-confidence, I can say that these establishments have been exporting British beef to several EU member states. As yet, no consignments have been sent to non-EU countries, but the Government have approached countries with a view to ensuring that they will accept British beef. To date, we have agreed export certification with Cyprus, the Falklands, Hong Kong and Mauritius and are at different stages in concluding certification with other countries. Only Russia, Singapore and Malta have said that, at present, they will continue to not admit British beef.

23. **Mr. Bradshaw:** To ask the Minister of Agriculture, Fisheries and Food what progress he has made in getting the beef export ban lifted for non-EU countries. [98860]

Ms Quin: We have approached the authorities in non-EU countries to lobby them to lift their import bans, where they exist, or to agree the necessary export certification. This is a concerted campaign which follows up, and builds upon, earlier approaches to key markets. So far, we have agreed export certification with Cyprus, the Falklands, Hong Kong and Mauritius, and are at different stages in concluding certification with other countries. Only Russia, Singapore and Malta have said that, at present, they will continue to not admit British beef.

24. **Mr. Wyatt:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the level of domestic consumption of home-produced beef since the BSE crisis. [98861]

Ms Quin: Domestic consumption of beef has recovered sharply from the depressed levels following the BSE crisis of 563 thousand tonnes in 1996 to 707 thousand tonnes in 1998.

28. **Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food what scientific analyses he has received on the presence of *(a)* human and *(b)* animal excrement traces in French beef; and if he will make a statement. [98865]

Ms Quin: The summary of advice provided to Ministers included an analysis of the report prepared by the European Commission, which confirmed that all material was heat treated before use in animal feed. The advice was drawn up in consultation with the chairmen of three scientific independent advisory committees and concluded that there is no immediate public health risk from the use of sewage sludge in French animal feed.

Fur Farming

13. **Mr. Heppell:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received from animal welfare organisations on the ending of fur farming in the UK. [98849]

Mr. Morley: The Ministry has received representations from five animal welfare organisations.

Food Safety

14. **Mr. Crausby:** To ask the Minister of Agriculture, Fisheries and Food how much his Department is spending on food safety and standards surveys in the current year. [98850]

Ms Quin: My Department has a wide-ranging food surveillance programme to protect consumer safety, food authenticity and nutritional quality of the UK diet. In 1998, MAFF spent more than £10.5 million on these surveys, carrying out over 190,000 analyses on more than 63,000 food samples. Similar figures are anticipated for the current year.

EU Funds

15. **Mr. Hoyle:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the level of the UK's allocation of EU funds under the rural development regulation. [98851]

Mr. Morley: The UK allocation of 154m euro a year for the Rural Development Regulation is very disappointing. This has been based on low spending levels on rural programmes in past years. We will be pressing the European Commission quickly and comprehensively to fulfil its commitment to review allocations.

Labelling

16. **Mr. Bob Russell:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to encourage all those involved in the United Kingdom food industry to label clearly food which originates in the UK. [98852]

Mr. Nick Brown: Consumers have a right to clear and unambiguous labelling of all the food they buy in order to make an informed choice. This is why we are consulting all those involved in the food industry on the need to ensure that origin markings do not mislead consumers when such information is provided.

Farm Incomes

18. **Mrs. Virginia Bottomley:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the trends in farm incomes in South-West Surrey. [98855]

Mr. Morley: While we have no specific farm income figures for South-West Surrey, I have little doubt that farmers there have been suffering from the same adverse economic conditions in agriculture as elsewhere in the country.

19. **Mr. Ian Bruce:** To ask the Minister of Agriculture, Fisheries and Food when was the last time the green pound was adjusted; and what assessment he has made of the effect of the weak euro on the incomes of farmers. [98856]

Mr. Nick Brown: The last time the Green Pound was adjusted was on 11 October 1998.

The present depressed state of farm incomes results from various factors, including the strength of sterling, the collapse of world prices and the loss of some key export markets. It is difficult to single out one factor in isolation and assess its impact when the factors are to an extent interlinked.

Organic Farming

20. **Mr. Pickthall:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the cost effectiveness of the organic farming scheme. [98857]

Mr. Morley: On 4 October we announced a review of the Organic Farming Scheme, which provides aid to farmers converting to organic farming. The cost effectiveness of the scheme is an issue which will be considered in this review.

Mr. Sheerman: To ask the Minister of Agriculture, Fisheries and Food what has been the change in the amount of land under organic conversion since the start of the Organic Farming Scheme. [99214]

Mr. Morley: To date, farmers have entered some 75,000 hectares into conversion under the Organic Farming Scheme since its launch in April 1999.

Pig Farming

25. **Mr. Jack:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his Department's latest assessment of the financial strength of the pig industry. [98862]

Ms Quin: The market price for pigs has been below the cost of production since May 1998. At its present level of 77 p/kg, pig producers are, on average, losing around £9 on every pig sold.

26. **Mr. Malcolm Bruce:** To ask the Minister of Agriculture, Fisheries and Food what measures he proposes to take to support the British pig industry. [98863]

Ms Quin: In discussions with the representatives of the British pig industry, we have developed an action programme aimed at helping pig producers through this very difficult period. This includes:

(a) making available an extra £6 million for marketing and promotion from which the pig industry should benefit significantly;

(b) promoting animal welfare and other standards of UK pigmeat.

(c) writing to MPs and Local Authorities to emphasise importance of sourcing to British standards;

(d) writing to Commissioner Fischler arguing the case for re-opening EU private storage aid scheme and restoring special refund on exports to Russia;

(e) going back to next meeting of SEAC to consider whether current ban on use of MBM from pigs is still justified.

(f) tackling misleading labelling. Revised guidelines on origin marking have gone out to public consultation;

(g) better auditing of claims on welfare and other standards of imported products;

(h) meeting individual retailers and caterers to insist they reaffirm their commitment last December in sourcing from stall and tether and MBM free production systems and on misleading labelling.

Common Agricultural Policy

27. **Mr. Hope:** To ask the Minister of Agriculture, Fisheries and Food what proportion of farm incomes is derived from direct payments and price supports under the CAP. [98864]

Ms Quin: The overall value of direct payments and price supports received by UK producers under the Common Agricultural Policy in 1997–98 exceeded total income from farming across all sectors by around 70 per cent.

This demonstrates the very considerable levels of financial assistance being provided to agricultural producers. It also demonstrates the inefficiency of the Common Agricultural Policy, as it currently operates, in securing rural objectives and promoting a sustainable agricultural industry.

This figure was published on the Ministry's internet site in August 1999, as part of the consultation on the Agenda 2000 reform of the Common Agricultural Policy.

Sand Eels

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what information he has received from the Commission about a possible substantial reduction in the catch levels of sand eels. [98628]

Mr. Morley: The Commission has promised to make a proposal, in time for adoption by the Council in December, closing the sand eel fishery around the Isle of May. The effects of this closure on seabirds which are dependent on sand eels will then be studied.

Animal Welfare

Mr. Key: To ask the Minister of Agriculture, Fisheries and Food what provisions of *(a)* the Treaty of Rome and *(b)* World Trade Organisation rules govern the banning of imports of (i) beef, (ii) sheepmeat, (iii) pork, (iv) venison and (v) poultry on the basis of animal welfare standards. [99310]

Mr. Morley *[holding answer 23 November 1999]:* In each case the relevant provisions of the EC Treaty (Treaty of Rome) are Article 28 (ex Article 30) and Article 30 (ex Article 36).

So far as the WTO is concerned, the relevant rules are contained in Articles XI and XX of the General Agreement on Tariffs and Trade 1947 (which forms part of the General Agreement on Tariffs and Trade 1994, which in turn is one of the Multilateral Trade Agreements which forms part of the WTO Agreement).

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what representations he has received on the enforcement of animal welfare legislation for farm animals. [99289]

Mr. Morley: I have received such representations from individuals and organisations, including the Farm Animal Welfare Council.

Target Setting

Mr. Don Foster: To ask the Minister of Agriculture, Fisheries and Food how many targets have been agreed between his Department and (i) local authorities and (ii) other bodies apart from his own agencies and non-departmental bodies since May 1997. [99480]

Mr. Morley *[holding answer 24 November 1999]:* The Department has nine published targets which relate to

the delivery of services or other objectives by local authorities, and nine for other bodies apart from agencies and non-departmental public bodies.

Common Fisheries Policy

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what are *(a)* the individual regional areas and *(b)* the management structures within these individual areas in relation to the zonal/regional fisheries management under the Common Fisheries Policy; and if he will make a statement on the ability of those areas to comply with the principle of equal access. [99408]

Mr. Morley: As I made clear in my answer to the hon. Gentlemen on 2 November 1999, *Official Report*, column 164W, strengthening the regional dimension of the Common Fisheries Policy (CFP) requires action on a regional specific fishery basis.

This can be done, for example, through the organisation by the Commission of regional meetings bringing together fishermen and fisheries scientists and managers to consider the problems of particular stocks, as with the meeting on the Celtic Sea demersal fishery in March. Under the CFP, the principle of equal access is subject in practice to the application of relative stability shares. I expect this to continue after the review of the CFP in 2002.

Fisheries Discards

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food if the 18 month study on fisheries discards which commenced in June was put out to tender. [99409]

Mr. Morley: The study was proposed by a consortium of researchers from the UK, France and the Netherlands as a response to an open call for research relating to the Common Fisheries Policy made by the European Commission in 1997. The project proposal competed for funding with other applications under this programme, and was successful in gaining grant from the EU for 50 per cent. of its cost. The remainder of the cost has subsequently been met by the Dutch and French Governments and by MAFF in the case of the UK element.

Flood Defences

Mr. Dismore: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on flood defences in Edgware and Burnt Oak, Hendon. [98854]

Mr. Morley: I understand that the Environment Agency is continuing to undertake relevant surveys and modelling work for the Silk Stream flood alleviation scheme. The Agency is still aiming to publish an Environmental Statement for formal consultation in August 2000.

Written Answers to Questions

Friday 26 November 1999

ENVIRONMENT, TRANSPORT AND THE REGIONS

MOT Test

Mr. Dismore: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to extend the MoT test to include checks on *(a)* the safety and security of children's restraints and children's seats when fitted in motor vehicles and *(b)* the suitability of such devices for their purported purpose; and if he will make a statement. [98514]

Mr. Hill: It would not be practical to require such checks during MoT tests on items which are not permanent fittings in vehicles. There is a wide range of child restraints available which are suitable for children of different sizes and ages and which meet prescribed standards of design and performance. Parents can be confident about safety provided they use a restraint marked as complying with the relevant standards and also follow the manufacturer's fitting instructions. It is for parents to determine the suitability of child restraint systems for the size and age of their children.

The Department's leaflet "Seat Belts and Child Restraints" already advises on restraint systems and reminds that fitting instructions must always be followed. The content of the leaflet is kept under review and we are always willing to add to the advice where it is appropriate.

Land Development

Mr. Michael J. Foster: To ask the Secretary of State for the Environment, Transport and the Regions what area of land was developed on *(a)* greenfield sites and *(b)* brownfield sites, in the City of Worcester, in the years 1979 to 1998. [99394]

Ms Beverley Hughes: The information is not currently available. The Department's Land Use Change Statistics provide estimates of the proportion of development that took place on land that was previously developed, but at present results are available only for counties, not for local authority districts or cities. This source is currently under review, and will be developed to provide more detailed, timely information.

Fuel Poverty

Mrs. Gilroy: To ask the Secretary of State for the Environment, Transport and the Regions (1) what is the Government's definition of fuel poverty; [99110]

(2) if he will set a target year by which fuel poverty in the UK will be eliminated. [99114]

Mr. Meacher *[holding answer 22 November 1999]:* As announced by my right hon. Friend the Minister for Energy on 11 November 1999, an inter-ministerial group is being set up, jointly chaired by her and my noble Friend the Parliamentary Under-Secretary of State to examine the way ahead on fuel poverty.

The commonly applied definition of a fuel poor household is one that needs to spend more than 10 per cent. of income to achieve a satisfactory heating regime. The inter-ministerial group will consider this definition in light of the comments received on the recent consultation, as set out in the answer given on 19 October 1999, *Official Report*, columns *491–92*.

From our latest data, we estimate that in 1996 there were at least 4.3 million fuel poor households. Since that time we have introduced programmes to tackle low income and poor energy efficiency, which are the main causes of fuel poverty, as well as the liberalisation of the energy markets which has led to significant falls in the cost of keeping warm. The inter-ministerial group will consider the impact of these programmes to develop a more accurate picture of the extent of the problem and how quickly it can be addressed, so that a target date can be set for the elimination of fuel poverty in England.

Some of the policy initiatives in this area, such as the Home Energy Efficiency Scheme, are devolved functions. Therefore a target date for Scotland and Wales would be a matter for the Scottish Parliament and Welsh Assembly.

Droitwich Barge Canals

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions what sources of public finance are available to assist in the scheme to re-open the Droitwich Junction and Droitwich Barge canals. [99463]

Mr. Mullin: There are a number of sources of public finance available to assist canal restoration projects. These include the Heritage Lottery Fund, the Environmental Action Fund, the Single Regeneration Budget, and the New Opportunities Fund as well as local authorities, regional development agencies and landfill tax rebate. To qualify for a grant from any of these sources the Droitwich canal project would of course have to meet with the requirements and aims of the grant provider.

Detailed information on the sources of funding for canal restoration projects is contained in the DETR-sponsored Technical Restoration Handbook, published by the Inland Waterways Association (IWA). Copies of the Handbook can be obtained from the IWA (Tel: 01923 711114).

Community Projects

Caroline Flint: To ask the Secretary of State for the Environment, Transport and the Regions what funding he has made available for community-based projects *(a)* to tackle drug abuse and *(b)* to promote safer communities since May 1997. [99529]

Ms Beverley Hughes: The Department operates two major community-based regeneration programmes, the Single Regeneration Budget (SRB) and the New Deal for Communities (NDC).

The SRB's multiple objectives, designed to tackle poverty and social exclusion, include a specific objective

of tackling crime and drug abuse and improving community safety. It is not possible to identify funding made available specifically for projects tackling drug abuse or promoting safer communities. However, since May 1997, 213 out of 284 successful bids under rounds 4 and 5 gave crime prevention or community safety as key objectives. Anti-drug proposals would be covered by these objectives. Details of the successful bids were placed in the Library of the House.

The first round of the NDC was launched in September 1998 and the second round on 10 November 1999. Anti-drug measures feature in all of the plans of the first round partnerships and are likely to feature in second round plans too. However, it is not possible to identify how much NDC funding will be used specifically for anti-drug and community safety activities.

Objective 1 Finance

Mr. Wigley: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish for *(a)* Merseyside, *(b)* South Yorkshire and *(c)* Cornwall, the amount of Objective 1 finance which he expects each area will get by way of commitment in the year 2000–01 from the European Union; how much of these committed project costs he expects to be spent during that year; how much will carry over to subsequent financial years; and how much match funding will be made available to each of these areas for the financial year 2000–01. [99546]

Ms Beverley Hughes: The Single Programming Documents for the Objective 1 areas for the period 2000–06 have not yet been agreed but the proposals are:

million euro

Area	*EC funding 2000–01*	*Match funding*
Merseyside	405.5	597.7
South Yorkshire	356.6	432.9
Cornwall	151.0	245.0

It is too early to say how much of these allocations will actually be committed and spent during these years. All depends on when the European Commission approve the single programming documents, how quickly projects get under way and when applicants submit their grant claims. The responsibility for identifying match funding from the many sources available in the public and private sectors is a matter for project applicants in these areas.

Supermarkets (Planning Regulations)

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what is the definition of a cluster used in planning regulations relating to supermarkets. [99745]

Mr. Raynsford: The changes in policy in respect of planning for the development of clusters of knowledge-based industry, foreshadowed in my right hon. Friend the Chancellor of the Exchequer's pre-Budget Report, do not apply to supermarkets. The Government's policy in respect of planning for supermarkets is set out in Planning Policy Guidance note 6, "Town Centres and Retail Developments", which seeks to focus new retail and leisure development in town centres. The Government have no plans to review PPG6.

Special Advisers

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the special advisers to Ministers in his Department; and by whom each of the advisers is paid. [100072]

Ms Beverley Hughes: My right hon. Friend the Deputy Prime Minister has appointed five special advisers (two of whom are part-time): Paul Hackett, Joan Hammell, Joe Irvin, Adrian Long and David Wilson, all of whom are paid by the Department.

Groundwater Regulations

Mr. Green: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish the draft guidelines on the Groundwater Regulations; and if he will make a statement. [100073]

Mr. Mullin: The Groundwater Regulations 1998 came into effect on 1 April this year. Guidance on the Regulations was available at that time from the Environment Agency, and further guidance has been drawn up in the light of experience during the first months of practical implementation. A draft of this further guidance, which explains the operation and application of the Regulations, is now being sent out for public consultation to a wide range of consultees. Comments are invited by 29 February 2000. Copies of the draft guidance have been placed in the Libraries of the House.

National Air Traffic Services

Ms Osborne: To ask the Secretary of State for the Environment, Transport and the Regions what transport projects he proposes to fund with the receipts from the proposed public/private partnership for National Air Traffic Services. [100189]

Mr. Mullin: The expected proceeds from the proposed partial sale of National Air Traffic Services have been reflected in the Department's Comprehensive Spending Review Settlement, resulting in a 25 per cent. increase in underlying transport spending. This will allow a start to be made on integrated transport policies.

Correspondence

Mr. Winnick: To ask the Secretary of State for the Environment, Transport and the Regions when the hon. Member for Walsall, North will receive a reply to his letter of 1 September regarding a constituent. [100076]

Ms Beverley Hughes: We have no record of receiving my hon. Friend's letter dated 1 September. If he would like to forward us a further copy it will be dealt with promptly.

Climate Change Levy

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions if he will extend the period in which heads of agreement must be signed by smaller trade associations in respect of discount from climate change levy rates. [100462]

Mr. Mullin: My right hon. Friend does not propose to do so. These sectors have been asked to sign heads of agreement before the Budget in March 2000. They have been able to start preparations since the levy was announced in March 1999 and there has been a series of meetings with officials since then. The sectors may also take advantage of assistance from the Energy Efficiency Best Practice Programme in preparing their proposals.

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions what procedure will determine whether energy saving measures are cost effective for the purpose of qualifying for 80 per cent. discount from climate change levy rates. [100461]

Mr. Mullin: Negotiations with sectors are proceeding on the basis that sectors will be expected to commit to installing all cost-effective energy efficiency measures over the period of the agreements. Cost-effectiveness will be measured using industry's own criteria.

Local Government Bill

Lorna Fitzsimons: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to respond to the report of the Joint Committee on the Draft Local Government (Organisation and Standards) Bill; and if he will make a statement. [100565]

Ms Armstrong: We intend shortly to put before the House a full response to the Committee's Report.

The Government welcome the Committee's scrutiny of the draft Bill, and have considered very carefully all their conclusions and recommendations.

Yesterday we introduced in another place the Local Government Bill which contains with certain amendments the provisions of the draft bill. As stated in the Explanatory Notes to the Bill, the objectives of those provisions are to achieve greater efficiency, transparency and accountability of local authorities.

In their Report the Committee welcomed those objectives. The Committee concluded that the extent to which any eventual legislation would fulfil those objectives would largely depend on how far the Government were prepared to accept their findings.

Our response will demonstrate that we are committed to adopt an approach which will ensure that those objectives are fulfilled to the greatest possible extent. We will bring forward as early as possible in the passage of the Bill such amendments as are necessary to give full effect to our response.

Genetically Modified Organism

Maria Eagle: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to publish the Government Response to the House of Commons Environmental Audit Committee's report on GMOs and the Environment; Co-ordination of Government Policy. [100569]

Mr. Meacher: I have today written to the Chairman of the House of Commons Environmental Audit Committee enclosing a copy of the Government's Response to the Committee's report on 'GMOs and the Environment: Coordination of Government policy, which was published today. A copy of the Response has been laid before the House.

INTERNATIONAL DEVELOPMENT

Russia (Tuberculosis)

Mr. Dalyell: To ask the Secretary of State for International Development with which initiatives and at what cost Her Majesty's Government are helping Russia in relation to tuberculosis. [100082]

Clare Short: Since 1994 the Department for International Development (DFID) has been providing advice to the TB service in Tomsk oblast, comparing treatment methods recommended by the World Health Organisation with traditional Russian methods. As a result the Federal Ministry of Health has agreed to use Tomsk as a pilot site for TB treatment reform. We are discussing expanding this work to two further oblasts, Kemerovo and Samara, with the relevant regional authorities. In addition we are considering providing support for two further TB projects to be carried out under the auspices of the World bank and the World Health Organisation respectively.

The total cost of these interventions is likely to be around £2.5 million.

Corporate Assets

Mrs. Ewing: To ask the Secretary of State for International Development if she will state the current estimated value of fixed and moveable assets held by *(a)* her Department and *(b)* the Commonwealth Development Corporation in (i) Scotland, (ii) the United Kingdom, (iii) overseas and (iv) in total. [99662]

Clare Short: The current estimated value of fixed and moveable assets is as follows:

£

	(a) DFID	*(b) CDC*
(i) Scotland	6,570,000	0
(ii) UK	10,015,000	23,800,000
(iii) Overseas	3,507,000	4,900,000
(iv) Total	20,092,000	28,700,000

CULTURE, MEDIA AND SPORT

Corporate Assets

Ms Roseanna Cunningham: To ask the Secretary of State for Culture, Media and Sport what his estimate is of the current value of land and property *(a)* in Scotland, *(b)* in England and *(c)* in total owned or under the responsibility of (i) the Royal Fine Art Commission, (ii) the Royal Commission on Historic Manuscripts, (iii) the Historic Royal Palaces Agency and (iv) the Royal Parks Agency (including property held in right of the Crown under the Crown Lands Act 1851). [99828]

Mr. Alan Howarth: Information on the value of the assets of these four bodies can be found in their latest annual reports, all of which are placed in the Libraries of the House. The offices of the former Royal Fine Art Commission and of the Royal Commission on Historic Manuscripts are leased in the name of the Secretary of State for Culture, Media and Sport, and my Department has no interest in their freehold value. The land and property managed by Historic Royal Palaces and the Royal Parks Agency are held in right of the Crown. They are therefore inalienable, and a valuation of them has not been undertaken. None of these bodies owns or has responsibility for any property in Scotland.

Digital Television

Mr. Welsh: To ask the Secretary of State for Culture, Media and Sport if he will list the areas of Scotland which may face difficulties receiving digital television transmissions *(a)* before 2006 and *(b)* before 2010. [99655]

Janet Anderson: The digital terrestrial transmission plan for the UK presently comprises 81 transmitter sites. Transmissions from the fourteen digital terrestrial transmitter sites located in Scotland, together with transmissions from Caldbeck in the north of England, will deliver digital terrestrial television services to about 90–95 per cent. of the Scottish population. Maps showing the predicted coverage from each of these transmitter sites have been placed in the Libraries of both Houses on CD-ROM.

The BBC and ITC, together with the transmission providers Crown Castle and NTL, are now considering the further development of digital television coverage, in consultation with the digital broadcasters and Government. The aim is to ensure that at least 99.4 per cent. of the UK population can receive digital television signals, through a variety of delivery mechanisms. Analogue switch-over will not take place until this and other tests are met, for which the Government has set a target timetable of 2006–10. The ITC and BBC's transmission plans are not yet sufficiently advanced to determine if there will be any areas in Scotland where the reception of digital television might remain difficult at 2006 or 2010.

Channel 5

Mr. Welsh: To ask the Secretary of State for Culture, Media and Sport what plans he has to require the extension of coverage of Channel 5 in the Highlands and Islands of Scotland. [99656]

Janet Anderson: Responsibility for the transmission of Channel 5 services rests with Channel 5 under the terms of its licence, regulated by the Independent Television Commission and subject to constraints on the available spectrum. Channel 5 has enhanced its coverage across the UK by offering analogue services free-to-air on satellite and also on cable where it is available. Channel 5 services are also carried free-to-air on all digital platforms.

The provision of digital terrestrial television now has higher priority than the potential extension of analogue terrestrial Channel 5 coverage. The Government have no plans to require Channel 5 to extend analogue terrestrial services to the Highlands and Islands of Scotland or other areas of the UK. However in due course digital television coverage will be universally available across the UK, at least matching the existing analogue coverage of 99.4 per cent. of the UK population.

Government Art Collection

Ms Roseanna Cunningham: To ask the Secretary of State for Culture, Media and Sport what his estimate is of the value of the Government Art Collection. [99829]

Mr. Alan Howarth: It is not possible to give an accurate estimate of the value of the Government Art Collection, which has no current market valuation. The current monetary value of a work of art can be accurately assessed only at the time of its purchase or sale or by professional valuation. In the former case, the Collection is not actively traded; in the latter, it would not be a justifiable expenditure of public funds to have the whole Collection valued professionally.

Art Exports

Mr. Heppell: To ask the Secretary of State for Culture, Media and Sport when the 1998–99 annual report of the Reviewing Committee on the Export of Works of Art will be published. [100600]

Mr. Chris Smith: The Reviewing Committee's Annual Report for 1998–99 has been published today and copies have been laid before Parliament.

National Stadium

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport (1) what assessment he has made of the implications of seating capacity options at the new National Stadium for the likely success of a future bid to host the Olympic Games in the United Kingdom; [98650]

(2) if he will make a statement on what seating capacity options for the new National Stadium have been considered by his Department; [98652]

(3) who was responsible for authorising the original design brief for the new National Stadium; [98647]

(4) what recent representations he has received from *(a)* the British Olympic Association and *(b)* other sporting bodies regarding the proposed capacity of the new National Stadium; and what response he has made; [98648]

(5) if the Sport England Lottery grant for the development of the new National Stadium was conditional on the inclusion of an athletics facility; [98649]

(6) what requirements regarding seating capacity for track and field events were contained in the original design brief for the new National Stadium. [98651]

Mr. Chris Smith *[holding answer 22 November 1999]:* I refer the hon. Member to my letter of 19 November, copies of which have been placed in the Libraries of the House.

Children's Television

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what consultation process will apply in relation to any proposals for new BBC children's television channels. [98645]

Mr. Chris Smith *[holding answer 22 November 1999]:* The BBC published for consultation on its proposals for new and enhanced public services, including a new digital television channel for children, on 15 September. Subject to the outcome of the review of the future funding of the BBC, I understand the Corporation will be seeking my approval to launch a new children's channel in due course. I am considering whether changes should be made to the current arrangements for considering proposed new BBC services in the light of the recommendations made by the Davies Panel. I expect to announce final decisions on this in January.

Orchestras

Mr. Stephen O'Brien: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the financial health of Britain's orchestras. [99902]

Mr. Alan Howarth: The Department and the Arts Council have recognised for some time that the financial position of many of England's regional orchestras was precarious. For this reason we agreed with the Arts Council that a review of orchestras was necessary. The Arts Council announced the outcome of this review on 13 October. They are to be congratulated for identifying a pragmatic way ahead and I am sure that the orchestras will now seize this opportunity to secure their long-term future.

London Art Market

Miss McIntosh: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the impact of proposed taxes on the London art market. [99520]

Dr. Howells: I have been asked to reply.

An independent assessment of the potential impact of artists' resale right (droit de suite) carried out earlier this year concluded: that by 2005, sales of works eligible for the right could fall by as much as 78 per cent. (from £280 million to £61 million) resulting in a loss of earnings by British auctioneers and dealers of £57 million per annum; and that sales of all works (eligible and non-eligible works) could fall by up to £750 million (23 per cent.), putting thousands of jobs at risk, as vendors placed the whole of their business elsewhere to avoid paying resale royalties on that part of the lot subject to the right.

SOCIAL SECURITY

Spending Revisions

Mr. Willetts: To ask the Secretary of State for Social Security, pursuant to Table B12 on page 156 of the pre-Budget Report, if he will provide a breakdown of the revisions to forecast social security spending in each of the financial years *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02 by (i) category of benefit and (ii) the factors leading to the revised figures. [99399]

Mr. Darling: Estimates of Departmental Annually Managed Expenditure for Great Britain made at the time of the March 1999 Budget are in Table 1 of the Social Security Departmental Report 1999 (Cm 4214).

Table A sets out the revised projections of expenditure for each DSS benefit from 1999–2000 to 2001–02, in respect of Great Britain. These estimates are comparable with figures in Table B12 of the pre-Budget Report which are provided on a United Kingdom basis. I refer the hon. Member to my right hon. Friend the Secretary of State for Northern Ireland for details of social security expenditure for Northern Ireland.

Table B sets out revised departmental projections of additional expenditure on Housing Benefit and Council Tax Benefit, met from local authorities' General Funds, or included within their Housing Revenue Accounts.

The sum of the total expenditure in Table A and the additional Local Authority expenditure in Table B is comparable with the grant total of social security spending on benefits in Table 8 of the Social Security Departmental Report 1999.

Paragraph B43 of the pre-Budget Report sets out the main factors affecting estimates of social security Annually Managed Expenditure since the March 1999 Budget.

Table A: DSS annually managed expenditure

£ million

		Projections	
	1999–2000	*2000–01*	*2001–02*
Retirement Pensions	37,514	38,280	40,214
Christmas bonus	120	121	122
Widow's benefits	976	946	1,124
Jobseeker's Allowance (Contribution-based)	522	543	560
Incapacity Benefit	7,028	6,942	7,080
Statutory Sick Pay	28	29	29
Maternity Allowance	39	46	56
Statutory Maternity Pay	562	587	618
Guardian's Allowance and Child Special Allowance	2	2	2
Non-Contributory Retirement Pension	27	26	26
Non-Contributory Christmas Bonus	16	16	17
War Pensions	1,230	1,161	1,122
Attendance Allowance	2,821	2,894	3,067
Invalid Care Allowance	805	827	879
Severe Disablement Allowance	1,017	1,028	1,041
Disability Living Allowance	5,611	5,845	6,294
Disability Working Allowance	44	—	—
Industrial Injuries Disablement Benefit	744	767	810
Industrial Death Benefit	51	50	49

Table A: DSS annually managed expenditure

£ million

	1999–2000	*Projections 2000–01*	*2001–02*
Other Industrial Injuries benefits	2	2	1
Jobseeker's Allowance—(Income-based)	2,929	3,023	3,075
Income Support—Under 60	8,411	8,913	9,099
Income Support—Over 60	3,756	4,033	4,196
Child Benefit	8,286	8,568	8,851
Family Credit	1,782	—	—
Earnings Top-Up Pilots and Vaccine Damage Payment	30	5	0
Independent Living Fund	127	136	144
Motability and Blesma	3	4	4
Social Fund including Winter Fuel Bonus	984	1,008	1,009
Housing Benefit	6,056	7,016	7,421
Council Tax Benefit	2,267	2,640	2,771
HB and CTB incentive/discretionary schemes	21	20	20
Television Licences for over 75s	0	117	283
DSS Annually Managed Expenditure Total	93,812	95,594	99,986

Note:
Figures may not sum due to rounding

Table B: Non-DSS expenditure on social security benefits (Great Britain)

£ million

	Additional expenditure	
	Housing Benefit	*Council Tax Benefit*
1999–2000	5,409	312
2000–01	5,079	201
2001–02	5,291	273

Mature Students

Mr. Wigley: To ask the Secretary of State for Social Security if he will take steps to ensure that student loans taken up by mature students undertaking university degree courses are not considered as income for the purposes of determining their eligibility for social benefits, including housing benefits, for themselves and for any dependent children. [99596]

Angela Eagle: Full time students are not eligible to claim income-related benefits—their primary source of financial support comes from the education system. However, certain students in vulnerable groups, for example: lone parents or disabled students, are eligible.

When deciding a claim for an income-related benefit most income is taken into account. Income is only disregarded if there are strong grounds for doing so. There are existing disregards from student loan income, such as amounts intended for travel or for books and equipment. To ignore the rest of the student loan income (which is intended for everyday living expenses) available to mature students would be unfair to other claimants of similar means and circumstances.

State Second Pension

Mr. Webb: To ask the Secretary of State for Social Security, pursuant to his oral statement of 19 November 1999, *Official Report*, column 314, which is the earliest year in which a person earning £6,000 a year could receive more than £50 a week exclusively through the state second pension. [100191]

Mr. Rooker: An employee earning £6,000 per year throughout their working life could retire with £50 per week from the State Second Pension in 2047. This would be in addition to a full basic State Retirement Pension.

Notes:

1. State Second Pension is assumed to start in 2002.
2. Earnings and pension figures are in 1999 earnings terms.
3. The calculation is based on a person earning £6,000 per year (in today's earnings terms) for a full working life. A full working life is 49 years, beginning at age 16 and ending at age 65.

Correspondence

Mr. Winnick: To ask the Secretary of State for Social Security when the hon. Member for Walsall, North will receive a reply to his letter of 28 September regarding a constituent, ref. 17161. [100074]

Angela Eagle: A reply was issued to my hon. Friend on 25 November 1999.

Motability

Mr. Salmond: To ask the Secretary of State for Social Security (1) how many cases termed as priority by Motability are outstanding due to lack of funding; what arrangements he has put in place to ensure that future cases are not subjected to delay; and if he will ensure that the outstanding priority cases are progressed as a matter of urgency; [99654]

(2) if he will make a statement on the outcome of his meeting with the governors of Motability on 27 October 1999. [99653]

Mr. Bayley: I held a meeting on 27 October 1999 with one of Motability's Governors, the Vice Chairman and other officers of Motability, to discuss proposals for the future funding of the Mobility Equipment Fund (MEF). The meeting was helpful and constructive. I hope to be able to make an announcement shortly.

24 MEF renewal cases have been deferred due to insufficient funding. These should be cleared by February 2000. A further 15 other priority cases should be cleared as soon as possible after February.

Independent Tribunal Service

Mr. Wigley: To ask the Secretary of State for Social Security under what circumstances the Independent Tribunal Service is required to hold a re-hearing of an appeal case; and if he will review the law with regard to such cases. [99547]

Angela Eagle: The law relating to the re-hearing of an appeal was reviewed recently and is set out in the Social Security Act 1998. The Act sets out three circumstances when a tribunal's decision can be set aside and referred to a new tribunal for a re-hearing.

We have carried forward provisions for the Independent Tribunal Service/The Appeals Service to set aside decisions on certain grounds. This is where a relevant document was not received by all parties on time or where a party to the proceedings was not present at the hearing.

We have also retained the provisions for set aside by the Social Security and Child Support Commissioners. A Commissioner can set aside a tribunal's decision where it is erroneous in law and refer the appeal back to the Independent Tribunal Service/The Appeals Service for a new decision.

The Act introduces new provisions for tribunal decisions on Social Security Benefits to be set aside where the original decision is erroneous in law. This allows a tribunal to correct its own decision where it is clearly wrong or where both the appellant and the Secretary of State consider that the decision is erroneous in law. This new provision does not remove the right of appeal to a Commissioner but it dispenses with the need for an appeal to go to the Commissioners in some circumstances.

Mr. Lidington: To ask the Secretary of State for Social Security when he expects the Independent Tribunal Service to provide the hon. Member for Aylesbury with the clarification of the case of Mr. David Reader (references D04 048 1999 00512 and D04 048 1999 00981) which was promised by the Regional Chairman of the Independent Tribunal Service in his letter of 13 August. [98758]

Angela Eagle *[holding answer 22 November 1999]:* This is a matter for the President of the Appeals Service, His Honour Judge Harris. However, I understand Robert Martin, the Regional Chairman, replied to the hon. Member on 19 November with further information about the case of Mr. Reader.

Home Responsibilities Protection

Mr. Burstow: To ask the Secretary of State for Social Security if he will estimate the number of people with non-child care responsibilities *(a)* who are entitled to and *(b)* who claim Home Responsibilities Protection. [98511]

Mr. Bayley: The entitlement conditions for Home Responsibilities Protection (HRP) for non-child carers are very similar to those for Invalid Care Allowance (ICA). The majority of people who fulfil those conditions will claim ICA which attracts automatic National Insurance credits and hence, they do not require HRP. No reliable information is available on the numbers of non-child carers without ICA who are either entitled to or claim HRP.

Child Support Agency

Mrs. Curtis-Thomas: To ask the Secretary of State for Social Security what the Child Support Agency's policy is in respect of the enforcement of maintenance orders against former partners now residing overseas, with particular reference to the case of Mrs. J. Basu of Formby. [98603]

Angela Eagle: The Child Support Agency does not have jurisdiction to enforce maintenance orders made against former partners now residing overseas. This is a matter for the Lord Chancellor's Department, who are currently pursuing Mrs. Basu's case.

DEFENCE

Armed Forces (Pay)

Mr. Key: To ask the Secretary of State for Defence for what reasons he has delayed the implementation of the new pay structure for the armed forces until April 2000; and what will be the consequent saving to his budget. [99922]

Mr. Spellar: I refer the hon. Member to the answer I gave to the hon. Member for Bolton, North-East (Mr. Crausby) on 19 November 1999, *Official Report*, column 14W, in which I stated that the new pay structure for the Armed Forces was to be delayed by one year to April 2001 because the process of implementing this major project has proved more complex than had been originally anticipated. This delay will ensure that there is no risk to the pay of our Service men and women. There will be no consequent saving to the Defence budget.

The transition to the new pay structure is expected to involve additional costs. The pay rates for the new system will be recommended by the Armed Forces Pay Review Body, and these will not be known until early 2001. Therefore I am withholding details of our planning assumptions under Exemption 2 of the Code of Practice on Access to Government Information.

Corporate Assets

Mr. Welsh: To ask the Secretary of State for Defence (1) if he will estimate the current value of fighting equipment in the *(a)* Army and *(b)* RAF; [99650]

(2) if he will estimate the current value of *(a)* plant, *(b)* machinery and *(c)* vehicles held by the (i) Royal Navy, (ii) Army and (iii) RAF; [99649]

(3) what is the current estimated value of land and property (i) in Scotland, (ii) in the UK and (iii) overseas within the responsibility of the *(a)* Defence Secondary Care Agency, *(b)* Defence Transport and Movement Executive, *(c)* Duke of York's Royal Military School, *(d)* Joint Air Reconnaissance Information Centre, *(e)* Logistics Information Systems Agency, *(f)* Medical Supplies Agency, *(g)* Military Survey and *(h)* Ministry of Defence Police; and if he will further estimate the current value of (1) plant and machinery, (2) vehicles and (3) investments for each of these groups; [99782]

(4) what is the current estimated value of land and property in (i) the UK Support Command (Germany), (ii) 1 (UK) Armoured Division, (iii) Overseas Detachment (Canada), (iv) Overseas Detachment (Nepal) and (v) Overseas Detachment (Belize); [99775]

(5) what is the current estimated value of land and property (i) in Scotland, (ii) in the UK and (iii) overseas allocated within the responsibility of *(a)* the Air Officer Commanding in Chief RAF Personnel and Training Command and *(b)* Air Officer Commanding in Chief RAF Logistics Command; [99778]

(6) what is the current estimated value of land and property (i) in Scotland, (ii) in the UK and (iii) overseas allocated within the responsibility of the Vice-Chief of the Defence Staff; [99779]

(7) what is the current estimated value of land and property in Scotland within the responsibility of the Commander in Chief Land Command; [99772]

(8) what his estimate is of the value of land and property *(a)* in Scotland, *(b)* in the United Kingdom and *(c)* overseas within the responsibility of the (i) Naval Aircraft Repair Organisation, (ii) Naval Bases and Supply Agency, (iii) Naval Manning Agency, (iv) Naval Recruiting and Training Agency, (v) Pay and Personnel Agency and (vi) Queen Victoria School; and if he will further estimate the current value of (1) plant and machinery, (2) vehicles and (3) investments for each of these bodies; [99787]

(9) if he will estimate the current value of fighting equipment in the Royal Navy, stating separately the current value of the nuclear submarine fleet and nuclear missile capacity; [99665]

(10) if he will state the current estimated value of land and property in (i) Scotland, (ii) the UK and (iii) overseas within the responsibility of the *(a)* RAF Logistic Support Services, *(b)* RAF Maintenance Group Defence Agency, *(c)* RAF Personnel Manning Agency, *(d)* RAF Signals Engineering Establishment, *(e)* RAF Training Group Defence Agency, *(f)* Service Children's Education, *(g)* Ships Support Agency and *(h)* Specialist Procurement Service; and if he will further estimate the current value of (1) plant and machinery, (2) vehicles and (3) investments for each of these bodies; [99773]

(11) what is the current estimated value of land and property in Scotland allocated within the responsibility of the Air Officer Commander-in-Chief RAF Strike Command, including USUF sites; and what is the total value of property and land allocated within the responsibility of the Air Officer Commanding-in-Chief RAF Strike Command, indicating figures for (i) the UK and (ii) overseas; [99777]

(12) what is the current estimated value of land and property *(i)* in Scotland, (ii) in the UK and (iii) overseas within the responsibility of the *(a)* Defence Analytical Services Agency, *(b)* Defence Bills Agency, *(c)* Defence Clothing and Textiles Agency, *(d)* Defence Codification Agency, *(e)* Defence Dental Agency, *(f)* Defence Estates Organisation, *(g)* Defence Intelligence and Security Centres, *(h)* Defence Medical Training Organisation and *(i)* Defence Postal and Courier Services Agency; and if he will further estimate the current value of (1) plant and machinery, (2) vehicles and (3) investments for each of these groups; [99781]

(13) what is the current estimated value of land and property *(a)* in Scotland, *(b)* in the United Kingdom and *(c)* overseas within the responsibility of the (i) Defence Evaluation and Research Agency, (ii) Hydrographic Office and (iii) Meteorological Office; and if he will further estimate the current value of (1) plant and equipment, (2) vehicles and (3) investments for each of these bodies; [99785]

(14) what is the current estimated value of land and property (i) in Scotland, (ii) in the UK and (iii) overseas within the responsibility of *(a)* the armed forces personnel Administration Agency, *(b)* the Army Base Repair Organisation, *(c)* the Army Base Storage and Distribution Agency, *(d)* the Army Personnel Centre, *(e)* the Army Technical Support Agency and *(f)* the Army Training and Recruiting Agency; and if he will further estimate the current value of the (1) plant and machinery, (2) vehicles and (3) investments for each of these groups; [99780]

(15) what is the current estimated value of the land and property in Scotland allocated within the responsibility of the Commander in Chief Fleet; [99788]

(16) what is the current estimated value of land and property in Scotland allocated within the responsibility of the (i) Adjutant General (Personnel and Training Command) and (ii) Quartermaster General; [99776]

(17) if he will estimate the current value of *(a)* land and property and *(b)* other assets in (i) Scotland, (ii) the UK and (iii) overseas held by each of his executive non-departmental public bodies; [99660]

(18) what is the current estimated value of land and property in (i) Scotland, (ii) the UK and (iii) overseas allocated with the responsibility of *(a)* the Chief of Defence Procurement and *(b)* the Second Permanent Under-Secretary of State; [99774]

(19) if he will estimate the current value of land and property in Scotland held by the Territorial Army; [99664]

(20) if he will estimate the current value of heritage assets in the *(a)* Army, *(b)* Royal Navy and *(c)* RAF. [99651]

Mrs. Ewing: To ask the Secretary of State for Defence if he will estimate the current value of investments held by the *(a)* Army, *(b)* Navy and *(c)* RAF. [99652]

Mr. Spellar: This information is not readily available. I will write to the hon. Members and a copy of my letter will be placed in the Library of the House.

Mr. Welsh: To ask the Secretary of State for Defence what is the current value of contracts for uniforms held with companies in *(a)* Scotland, *(b)* the UK and *(c)* in total. [99661]

Mr. Spellar: This is a matter for the Chief Executive of the Defence Clothing and Textiles Agency (DCTA). I have asked the Chief Executive to write to the hon. Member.

Letter from John Deas to Mr. Andrew Welsh, dated 26 November 1999:

I am replying to your question to the Secretary of State for Defence as this matter falls within my area of responsibility. You ask that we state the current value of contracts for uniforms held with companies in Scotland, the United Kingdom, and in total.

The Agency responsible for the procurement of all clothing items for the Armed Forces is the Defence Clothing and Textiles Agency (DCTA) at Caversfield in Oxfordshire. It is assumed that by "uniforms" you are referring to all clothing worn by our Armed Forces in the course of their operational and ceremonial duties (but not Personal Protective Clothing) and we have therefore provided the values of contracts for these items.

DCTA have available the figures for such contracts which have been placed this Financial Year i.e. since 1 April 99, and these are as follows:

	£ million
Total value of contracts placed	13.039
Value of contracts to UK	12.759
(Of which to Scottish companies	1.394)
Value of contracts outside UK	0.280

I regret these values do not include some large, long-term contracts in existence before 1 April 1999. To determine these figures would take a great deal of time and effort. However, you may wish to be aware that figures for 1998/99 indicated that around 73% by value of DCTA clothing contracts were awarded to UK firms, leaving 27% to overseas firms.

I trust this answer furnishes the information which you require.

Departmental Expenditure

Mr. Gerald Howarth: To ask the Secretary of State for Defence how much his Department has spent on *(a)* legal fees, *(b)* special security measures and *(c)* other expenses in supporting former members of the Parachute Regiment in connection with the Saville Inquiry. [98588]

Mr. Hoon: As at the end of September the Ministry of Defence has spent £2,843,519 on legal fees in total in connection with the Bloody Sunday Inquiry. It is not possible to identify separately the legal costs incurred in supporting former members of the Parachute Regiment, since soldiers from many other regiments are involved.

Special security measures were not provided by the Department but by the Home Office; the costs are withheld for security reasons under Exemption 1 of the Code of Practice on Access to Government Information.

The only other expenses which can be identified as having been incurred in supporting former members of the Parachute Regiment are travel and subsistence costs which are reimbursed following meetings with their MOD-appointed lawyers. These currently amount to £6,256.17.

Pensions

Mr. Todd: To ask the Secretary of State for Defence what plans he has to review the entitlement to attributable forces family pension. [98748]

Mr. Spellar: Entitlement to attributable forces family pensions is being considered as part of a review of the Armed Forces Pensions currently underway. This review of pensions should not be confused with the joint MOD and DSS review of arrangements to compensate members of the Armed Forces and their dependants for illness, injury and death attributable to service.

NATO Bombing

Mr. Dalyell: To ask the Secretary of State for Defence what assessment he has made of the effects of the NATO bombing of *(a)* the oil refinery and bridges at Novi Sad and *(b)* the chemical complex at Pancevo. [100086]

Mr. Hoon: The refinery at Novi Sad and the chemical complex at Pancevo were damaged during NATO airstrikes, resulting in immediate cessation of production at Novi Sad and severe functional damage at Pancevo. Production has now resumed and repairs are continuing.

The effect of the destruction of the bridges at Novi Sad (and the other bridges crossing the Danube) was to dislocate lines of communication in Serbia. The capacity to reinforce and sustain Serbian Forces was reduced. Road and railway traffic was interrupted, and the remains of the bridges blocked the Danube at Novi Sad. The closure of the Danube to river traffic impacted on imports, but also affected the through traffic to and from neighbouring countries and Black Sea ports.

Uranium (Kosovo)

Mr. Dalyell: To ask the Secretary of State for Defence what requests he received in the summer of 1999 from the UN for NATO assistance to investigate the use of depleted uranium in Kosovo; and what reply was sent. [100087]

Mr. Hoon: I have received no such requests from the UN. NATO has received numerous inquiries from a number of sources, including the United Nations, about the use of depleted uranium in Kosovo. NATO has repeatedly confirmed that some of its aircraft used DU munitions in anti-tank engagements.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Defence when the right hon. Member for North-West Cambridgeshire will receive a reply to his letter of 10 August, on behalf of his constituent Mr. Hall preliminarily acknowledged on 30 August. [99923]

Mr. Hoon: The investigations being carried out by the RAF in this case have reached a point where the complainant and Corporal Hall have been provided with a report and conclusions. They have some time to comment on that report, following which the investigation will be brought to a close and decisions will be taken. At that point I will write to the right hon. Member again.

TRADE AND INDUSTRY

Industrial Diseases

Mr. Cummings: To ask the Secretary of State for Trade and Industry if he will list by age and number the claimants who have received a settlement in relation to *(a)* vibration white finger and *(b)* chronic bronchitis and emphysema for each month since April; and if he will make a statement. [99209]

Mrs. Liddell: The monthly breakdown of payments made to ex-miners and their widows in respect of claims for compensation for VWF and respiratory disease since April 1999 is as follows:

Payments made to respiratory claimants		*Payments made to VWF claimants*	
Age	*Number*	*Age*	*Number*
April			
49 and below	4	49 and below	30
50–59	65	50–59	59
60–69	153	60–69	74
70–79	192	70–79	23
80–89	39	80–89	13
90 and above	3	90 and above	0
May			
49 and below	5	49 and below	43
50–59	41	50–59	86
60–69	143	60–69	123
70–79	202	70–79	46
80–89	34	80–89	3
90 and above	2	90 and above	0
June			
49 and below	9	49 and below	51
50–59	45	50–59	69
60–69	109	60–69	108
70–79	159	70–79	46
80–89	34	80–89	0
90 and above	1	90 and above	0
July			
49 and below	9	49 and below	141
50–59	42	50–59	125
60–69	134	60–69	140
70–79	172	70–79	50
80–89	30	80–89	2
90 and above	2	90 and above	0
August			
49 and below	4	40 and below	123
50–59	33	50–59	115
60–69	81	60–69	170
70–79	119	70–79	60
80–89	21	80–89	3
90 and above	0	90 and above	0
September			
49 and below	9	40 and below	122
50–59	28	50–59	152
60–69	128	60–69	211
70–79	241	70–79	91
80–89	58	80–89	5
90 and above	2	90 and above	0
October			
49 and below	7	49 and below	180
50–59	49	50–59	222
60–69	147	60–69	241
70–79	273	70–79	130
80–89	51	80–89	10
90 and above	3	90 and above	0
November as 22.11.99			
49 and below	4	49 and below	176
50–59	32	50–59	169
60–69	143	60–69	247
70–79	276	70–79	150
80–89	40	80–89	5
90 and above	1	90 and above	0

The figures for both respiratory disease and VWF include payments made in part settlement.

With regard to respiratory disease, the number of full and final payments made under the Handling Agreement is 521, with a further 3,270 offers either awaiting response from the claimant's solicitor or verification of the claimant's work history. In relation to VWF, the number of full and final payments made since April is 2,168, with a further 1,646 receiving part payments while outstanding matters are discussed with the claimants' solicitors.

Export Licences

Mr. Hancock: To ask the Secretary of State for Trade and Industry how many SIEL and open individual export licence applications have been made in 1999; and how many of them have been *(a)* accepted and *(b)* rejected. [99298]

Dr. Howells: Between 1 January and 12 November 1999, 10,109 applications for an individual licence to export goods controlled for strategic reasons were received; 9,775 applications for a Standard Individual Export Licence (SIEL); and 334 applications for an Open Individual Export Licence (OIEL).

Between 1 January and 12 November 1999, a decision was taken on 6,851 SIEL applications and 143 OIEL applications, some of which will have been received before 1 January 1999; 6,802 SIELs were issued between these dates and 49 applications for such a licence were refused; 143 OIELs were issued between these dates and no applications for such a licence were refused in full.

A comparison of the numbers of licences issued or refused in any two periods, even when they are of the same duration, is hardly a reliable indicator of the practical effect of a change in Government policy—or indeed a change in Government—between the periods concerned. In the first place, companies are unlikely to apply for licences that they can judge for themselves are likely to be refused when assessed against the published criteria. More generally, the number and nature of the applications received in total or in relation to particular destinations can vary widely from one period to the next, and there can be many reasons for such variation.

Fireworks

Mr. Wigley: To ask the Secretary of State for Trade and Industry if he will put forward legislation relating to the sale of fireworks in order to ensure that fireworks cannot be bought directly or indirectly by young children; and if he will make a statement. [99392]

Dr. Howells: The Fireworks (Safety) Regulations 1997 prohibit the supply of most fireworks to persons under the age of 18 years. The exceptions to this prohibition are caps, cracker snaps, novelty matches, party poppers, serpents and throwdowns which, under the Explosives Act 1875, can be sold to persons over the age of 16 years.

Genetically Modified Foods

Dr. George Turner: To ask the Secretary of State for Trade and Industry when he intends to publish the Government's response to the Science and Technology

Committee's first report of Session 1998–99, HC 286, on the Scientific Advisory System: Genetically Modified Foods. [100566]

Mr. Alan Johnson: I have today written to the Chairman of the House of Commons Science and Technology Committee enclosing a copy of the Government's Response to the Committee's report on the Scientific Advisory System: Genetically Modified Foods, which was published earlier today. A copy of Responses has been laid in the Library of the House.

WTO Seattle Round

Mr. Wigley: To ask the Secretary of State for Trade and Industry what initiatives he proposes to take at the World Trade Organisation Conference at Seattle to ensure that WTO policies have specific objectives which include *(a)* the reduction of Third World poverty, *(b)* ensuring equitable market access for the products of Third World countries on the basis of a level playing field and *(c)* helping consumers to distinguish between products on ethical, environmental and health grounds. [99422]

Mr. Byers *[holding answer 23 November 1999]:* At Seattle, I will be vigorously supporting EU efforts aimed at ensuring that a new comprehensive round of negotiations has a clear development agenda meeting the needs and priorities of developing countries and which maximises the WTO's contribution to the eradication of poverty. On market access in respect of the Least Developed Countries (LDCs), I shall be arguing strongly that other industrialised countries should join the EU in undertaking to provide duty-free access for essentially all LDC exports no later than the end of the round. I fully support the development of labelling schemes which enable consumers to make choices consistent with the pursuit of sustainable development. The EU will be pressing for clarification of the relationship between WTO rules and eco-labelling schemes to be included in the round.

NORTHERN IRELAND

Lifts

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what moratorium was implemented with regard to spending on through-floor lifts in the North and West Trust area in the current financial year; and when it is likely to be lifted. [98473]

Mr. George Howarth: Spending on through-floor lifts was suspended by North and West Belfast HSS Trust during July and August 1999 due to budgetary constraints. The provision of through-floor lifts resumed in September.

RUC

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many female members of the *(a)* RUC and *(b)* RUCR were perceived to be (i) Protestant and (ii) Roman Catholic in 1996 to 1998; what proportion these were of the total number of female members; and what ranks they held. [98456]

Mr. Ingram: The following is the information:

Year	Number	Percentage of total females	Ranks
(a) RUC Regulars (Females perceived to be Protestant)			
1996	809	90.2	Constable to Superintendent
1997	835	90.4	Constable to Superintendent
1998	843	90.4	Constable to Superintendent
(a) RUC Regulars (Females perceived to be Roman Catholic)			
1996	78	8.7	Constable to Chief Inspector
1997	81	8.8	Constable to Chief Inspector
1998	82	8.8	Constable to Chief Inspector
(b) RUC Reserve (Females perceived to be Protestant)			
1996	618	91.6	Constable
1997	647	90.1	Constable
1998	631	89.5	Constable
(b) RUC Reserve (Females perceived to be Roman Catholic)			
1996	46	6.8	Constable
1997	59	8.2	Constable
1998	61	8.7	Constable

Note:
RUC Reserve figures include full-time and part-time officers

AGRICULTURE, FISHERIES AND FOOD

Organophosphates

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food when the report by the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment on the human health implications of organophosphates will be published. [100714]

Ms Quin: The Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment (COT) is today publishing its report on organophosphates (OPs).

The Government welcome this thorough and timely report. We have always made it clear that we take very seriously the concerns expressed about the safety of organophospate compounds. In response to those concerns, we pledged that we would subject the scientific evidence to the most rigorous and transparent scrutiny. This was why we asked the Committee on Toxicity (COT) to undertake this in-depth review.

As announced when the review was set up, the Veterinary Products Committee, the Advisory Committee on Pesticides and the Committee on Safety of Medicines have been asked to give their advice on the implications of the COT report to Ministers. We will publish this advice and our response to it as soon as possible.

Copies of the COT report are being placed in the Libraries of both Houses.

SOLICITOR-GENERAL

Departmental Estate

Ms Roseanna Cunningham: To ask the Solicitor-General what his estimate is of the value of land and

property held (i) in Scotland and (ii) in total by *(a)* the Crown Prosecution Service, *(b)* the Serious Fraud Office and *(c)* the Treasury Solicitor's Department. [99734]

The Solicitor-General: The Law Officers' Departments, comprising the Crown Prosecution Service (CPS), the Serious Fraud Office (SFO), the Treasury Solicitor's Department, and the Legal Secretariat to the Law Officers do not have property interests in Scotland.

CPS has an interest in 105 properties. Of these, 91 are leasehold interests, 10 are Crown freeholds held by other Departments and four are Crown freeholds held by the CPS.

The total value of the four freeholds held by the CPS was calculated to be £3.6 million in 1998, by property consultants employed for this purpose. Calculations for the value of CPS leasehold interests could be obtained only at disproportionate cost.

The Treasury Solicitor's Department holds property in England and Wales with a value of £9.3 million at 31 March 1999.

The SFO has one leasehold property whose value currently is nil, in that the terms of the lease, entered into in 1988, exceed current market rental values. This lease expires on 24 December 2012, and the annual rental is £1.5 million.

The Legal Secretariat to the Law Officers has one leasehold property, the value of which is currently estimated at £100,000.

Roger Levitt Case

Mr. Pickthall: To ask the Solicitor-General what was the cost to the public purse, through Crown Prosecution Service, Serious Fraud Office and central funds, of the Roger Levitt case; and what was the amount paid to the counsel for the prosecution and the counsel for the defence. [99329]

The Solicitor-General: The estimated prosecution costs associated with the trial were £993,815, including £449,649.32 (including VAT) paid to counsel for the prosecution. In addition, the estimated prosecution costs of investigation amounted to £819,552. The defence costs from legal aid were £2,649,495 and defence costs from central funds were £10,699. I shall write to my hon. Friend shortly with a more detailed breakdown of the defence costs.

Mr. Pickthall: To ask the Solicitor-General if he will ask the Bar Council to publish the findings and the reasons for the findings of the disciplinary hearing held by the Bar Council into the handling of the Roger Levitt case. [99330]

The Solicitor-General: I am informed by the Bar Council that no charges of professional misconduct arising from the handling of the Roger Levitt case have been upheld. The Bar Council's disciplinary regulations do not provide for publication of any charge against a barrister, or the finding, where the charge has not been proved, unless the barrister charged so requests. It would be inappropriate for me to ask the Bar Council to depart from the regulations which apply.

HEALTH

Residential Care

Mr. Swayne: To ask the Secretary of State for Health (1) if he will extend the period of consultation on the national required standards for residential and nursing homes; [98752]

(2) what representations he has received regarding the length of the consultation period on the national required standards for residential care. [98751]

Mr. Hutton *[holding answer 22 November 1999]:* To date the Department has received letters from fewer than 20 people and organisations about the formal consultation period, all suggesting that the period should be extended.

The high demand for copies of the consultation document, "Fit for the Future?" led to stocks being exhausted as well as to a backlog of requests. As a result, we decided to order additional copies of "Fit for the Future?", which are now available. A letter will be sent with these copies giving recipients until 21 January to comment on the consultation document.

Meningitis C Vaccine

Dr. Harris: To ask the Secretary of State for Health when he will write to the hon. Member for Oxford West and Abingdon on the cost effectiveness of the new meningitis C vaccine. [100079]

Yvette Cooper: I shall write to the hon. Member as soon as possible.

Ashford Hospital

Mr. Wilshire: To ask the Secretary of State for Health when he will be making his decision on the proposals of West Surrey Health Authority relating to *(a)* Ashford Hospital's (i) accident and emergency department and (ii) intensive care unit and *(b)* service cuts. [100091]

Ms Stuart: We fully recognise the concerns of the local community on such an important issue.

Following formal consultation the decision was referred to Ministers on 16 November 1999. We will carefully consider all options before reaching a final decision on the future arrangements for health services in North West Surrey and outer West London.

PRIME MINISTER

Anglo-French Summit

Ms Osborne: To ask the Prime Minister if he will make a statement on the Anglo-French Summit of 25 November. [100564]

The Prime Minister: The twenty-second UK/French Summit took place in London on 25 November. Discussions were wide-ranging and took place in a positive and friendly atmosphere. We had worthwhile exchanges on a range of EU, economic and foreign policy issues, and I discussed the lifting of the French ban on British beef with both President Chirac and Prime Minister Jospin.

The main outcome of the Summit was on European defence. We issued a declaration which further advances UK/French co-operation in this field and follows on from the work started at last year's Summit at St. Malo.

We also discussed the issues to be considered at the Lisbon Special European Council next March and agreed to work together to develop ideas and initiatives on growth, innovation and employment in Europe.

A copy of the declaration on defence co-operation and a document setting out in more detail the issues discussed in relation to innovation and employment in Europe have been placed in the Libraries of the House.

LORD CHANCELLOR'S DEPARTMENT

Corporate Assets

Ms Roseanna Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department what his estimate is of the value of land and property held by *(a)* the Public Record Office and *(b)* HM Land Registry in (i) Scotland and (ii) in total and the total value of assets held by each of these bodies. [99733]

Mr. Lock: The value of the interest in land and property held by the Public Record Office in Scotland is nil. The value of the interest in land and property held by the PRO in England and Wales at 31 March 1999 was £83,073,000. The value of the total assets held by the PRO at 31 March 1999 was £87,520,000.

The value of the interest in land and property held by Her Majesty's Land Registry in Scotland is nil. The value of the interest in land and property held by HMLR in England and Wales at 31 March 1999 was £105,788,000. The value of the total assets held by HMLR at 31 March 1999 was £196,965,000.

Ms Roseanna Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department what his estimate is of the value of land and property in *(a)* Scotland and *(b)* in total held by each of the executive agencies for which he is responsible and the total value of assets held by each of these bodies. [99732]

Jane Kennedy: The value of the interest in land and property held by the Court Service in Scotland is nil. The value of the interest in land and property held by the Court Service in England and Wales at 31 March 1999 was £1,119,192,000. The value of the total assets held by the Court Service at 31 March 1999 was £1,158,472,000.

The value of interest in land and property held by the Public Trust Office in Scotland is nil. The value of the interest in land and property held by the Public Trust Office in England and Wales at 31 March 1999 was £7,710,000. The value of the total assets held by the Public Trust Office at 31 March 1999 was £9,405,000.

HOME DEPARTMENT

Correspondence

Mr. Burns: To ask the Secretary of State for the Home Department when the Director General of the Prison Service will reply to the letter from the hon. Member for West Chelmsford of 20 April concerning a constituent and Chelmsford Prison. [99420]

Mr. Boateng *[holding answer 23 November 1999]:* In the Director General's absence from the office, the Deputy Director General responded to the hon. Member on 19 November apologising for the excessive delay in replying.

Drug-related Crime

Mrs. Curtis-Thomas: To ask the Secretary of State for the Home Department how many drug-related murders and manslaughters there have been on Merseyside in each year since 1995. [99434]

Mr. Charles Clarke *[holding answer 23 November 1999]:* Information, corroborated by the Merseyside police, shows that there was one homicide involving drugs on Merseyside in 1995, three in 1996, three in 1997 and one in 1998.

Homicides involving drugs are so coded if the narrative of events supplied by the police to the Home Office mentions that (i) the suspect was reported to be under the influence of drugs at the time of the offence or (ii) the homicide was motivated by the need to obtain drugs, or money to buy drugs or is drug related in some other way, such as rivalry between dealers, etc.

Drug Abuse

Caroline Flint: To ask the Secretary of State for the Home Department what plans he has for a formal consultation of the education and youth services about combating drug abuse. [99519]

Mr. Boateng: The education and youth services are the responsibility of the Department for Education and Employment. My Department works closely with that Department in helping to ensure that the education and youth services are properly engaged in our efforts to combat drug abuse.

Severe Personality Disorders

Mr. Lidington: To ask the Secretary of State for the Home Department if he will place in the Library copies of the representations received in response to the Government's consultation document on managing dangerous people with a severe personality disorder. [99308]

Mr. Boateng *[holding answer 23 November 1999]:* Following completion of the consultation period, a report summarising responses to the document will be prepared and placed in the Library. Individual responses, unless they contain personal information or the respondent has indicated that its contents are confidential, will also be placed in the Library.

Prisoner Statistics

Mr. Cox: To ask the Secretary of State for the Home Department what was the total prison population in England and Wales as of 1 November, and the corresponding figure on *(a)* 1 November 1998, *(b)* 1 November 1997, *(c)* 1 November 1996 and *(d)* 1 November 1995. [99584]

Mr. Boateng: The information requested is available for the last day of the month and is given for the appropriate month ends in the table.

Information on the prison population at the end of each month up to 1998 is published in successive volumes of "Prison Statistics England and Wales", copies of which are in the Library. Extracts from the 1998 edition of this publication and monthly statistics for 1999 are also available on the internet site at http://www.homeoffice.gov.uk/rds/areas/prisrf.htm.

Population in prisons in England and Wales on 31 October 1995–99

On 31 October	*Number*
1999	65,900
1998	65,580
1997	63,226
1996	57,764
1995	52,027

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of *(a)* men and *(b)* women serving a life prison sentence for murder as of 1 November. [99583]

Mr. Boateng: The latest available provisional information is for 31 October 1999. On that date, there were 3,270 males and 130 females in Prison Service Establishments in England and Wales serving a life sentence for murder.

Non-payment of Fines

Mr. Cox: To ask the Secretary of State for the Home Department how many *(a)* men and *(b)* women were in prison in England and Wales for the non-payment of fines on 1 November. [98454]

Mr. Boateng: The available information is for 31 October 1999 when there were 70 male and four female fine defaulters in prison in England and Wales.

Prisons (Privatisation)

Mr. Crausby: To ask the Secretary of State for the Home Department what plans he has for privatisation of prisons in Britain. [98672]

Mr. Boateng: There are no plans to privatise prisons in England and Wales.

There are currently eight prisons whose management is contracted out to the private sector with three more due to open by 2001. Following the competition for the management of Buckley Hall and Doncaster prisons, I announced on 22 October that there would be further competitions as contracts fall for renewal. The next contracts to expire are for Blakenhurst and Wolds prisons. The management of Manchester prison will be competed for prior to the expiry of the Prison Service service level agreement on 15 October 2001. As was the case with Buckley Hall and Doncaster, the Prison Service will have the opportunity to make an in-house bid in these competitions. I also announced that continually failing prisons in the public sector would be market tested; proposals for this are being developed.

Responsibility for prisons in Scotland is a matter for the First Secretary of the Scottish Executive, and responsibility for Northern Ireland prisons lies with my right hon. Friend, the Secretary of State for Northern Ireland.

Criminal Injuries

Mr. Dismore: To ask the Secretary of State for the Home Department (1) what was the *(a)* longest, *(b)* average and *(c)* median length of wait for (i) a criminal injuries compensation scheme review, (ii) a Criminal Injuries Compensation Appeals Panel oral appeal hearing and (iii) a Criminal Injuries Compensation Appeals Panel paper appeal result in the most recent year for which figures are available; and what were the figures for each of the previous two years; [98496]

(2) how many cases of criminal injuries compensation *(a)* remain to be concluded under the previous scheme and *(b)* are outstanding under the current scheme; and, of the latter, how many are (i) awaiting review, (ii) awaiting a written appeal determination and (iii) waiting on oral appeal determination; and if he will make a statement. [98486]

Mr. Boateng: The information is not immediately available from the Criminal Injuries Compensation Authority and Appeals Panel in the form requested. I will write to my hon. Friend with the information as soon as possible.

Ashfield Prison

Mr. Webb: To ask the Secretary of State for the Home Department if he will list the number of officers employed at each grade at HMP Ashfield; and if he will list how many at each grade have previous experience of working in the Prison Service. [98477]

Mr. Boateng: The table gives details of staff at Ashfield who work with prisoners. All prison custody officers receive seven weeks training which is approved by the Prison Service and monitored by the controller at Ashfield. They must also hold current prison custody officer certification from the Prison Service.

Staff at HMP/YOI Ashfield who work with prisoners

Grade	*Total number of staff*	*Staff with previous experience in the Prison Service*	*Staff who have previously worked in other contractually managed prisons*
Director	1	1	0
Assistant Directors	4	2	2
Heads of Operations	6	2	3
Unit managers	12	3	3
Prisoner Custody Officers	144	0	3

Criminal Injuries Compensation Board

Mr. Maclean: To ask the Secretary of State for the Home Department how many cases before the Criminal Injuries Compensation Board have been under

consideration for *(a)* less than six months, *(b)* six months to a year, *(c)* one to two years and *(d)* more than two years. [99219]

Mr. Boateng: The Criminal Injuries Compensation Board and Authority advise that the number of cases under consideration at 31 October 1999 was as follows:

1990 Scheme

(a) 74

(b) 50

(c) 53

(d) 649

In addition, 7,944 cases awaiting an appeal were registered over two years ago.

1996 Scheme

From date of registration awaiting a first decision:

(a) 30,767

(b) 11,571

(c)+(d) 2,116

From date of Review request awaiting a Review decision:

(a) 6,555

(b) 1,768

(c)+(d) 595

From date of Appeal request awaiting an Appeal decision:

(a) 3,359

(b) 2,451

(c)+(d) 953.

Mr. Maclean: To ask the Secretary of State for the Home Department what was the total compensation paid by the Criminal Injuries Compensation Board in each of the last seven years. [99223]

Mr. Boateng: The amount of compensation paid under the Scheme in each of the last seven years was as follows:

£

Year	Compensation paid 1990 Scheme	1996 Scheme
1992–93	152,217,991	—
1993–94	165,136,267	—
1994–95	175,370,224	—
1995–96	179,036,888	—
1996–97	190,128,683	19,179,817
1997–98	118,839,529	82,675,619
1998–99	[1]80,560,529	[1]113,781,330

[1] Provisional

Mr. Maclean: To ask the Secretary of State for the Home Department what was the total number of claims dealt with by the Criminal Injuries Compensation Board in each of the last seven years; and how many of these resulted in compensation being awarded. [99220]

Mr. Boateng: The Criminal Injuries Compensation Board is responsible for determining applications made before 31 March 1996 under the superseded common law damages based scheme (the '1990 Scheme'). Applications made on or after 1 April 1996 are determined by the Criminal Injuries Compensation Authority under the current tariff-based scheme (the '1996 Scheme'). The number of applications resolved and awards made in the last seven years is as follows:

Year	Applications resolved 1990 Scheme	1996 Scheme	Awards made 1990 Scheme	1996 Scheme
1992–93	58,688	—	36,638	—
1993–94	65,293	—	40,635	—
1994–95	[1]64,549	—	[2]37,365	—
1995–96	76,225	—	44,036	—
1996–97	65,653	13,566	38,510	8,432
1997–98	21,730	57,814	13,552	31,528
1998–99	10,634	74,859	6,076	40,164

[1] Includes 7,680 cases originally considered under the aborted 1994 Tariff Scheme

[2] Includes 2,795 awards originally made under the aborted 1994 Tariff Scheme

Mr. Maclean: To ask the Secretary of State for the Home Department what is the projected total compensation to be paid by the Criminal Injuries Compensation Board in *(a)* 1999, *(b)* 2000 and *(c)* 2001. [99222]

Mr. Boateng: Table 6 in the Home Office Annual Report 1999 showed that forecast expenditure on compensation in the years 1999–2000, 2000–01 and 20001–02 was £227 million, £202 million and £196 million respectively. Those figures are currently being reviewed in the context of the current spending review (Spending Review 2000).

Mr. Maclean: To ask the Secretary of State for the Home Department what was the average time waited by successful applicants for criminal injuries compensation in each of the last seven years. [99221]

Mr. Boateng: There are no meaningful average times applicable to criminal injuries compensation claims. Applications range from the very straightforward ones in which a decision may be issued within a few weeks through to exceptionally complicated cases in which it may take a number of years for the injury to be fully assessed.

Treaty of the European Community

Mr. Mitchell: To ask the Secretary of State for the Home Department which measures have been adopted, or are under consideration, in respect of Title IV of the Treaty of the European Community; and which measures he has announced that he does not intend to adopt in future, together with reasons in respect of each measure. [99407]

Mrs. Roche: No measures have so far been adopted under Title IV of the Treaty of the European Community.

The following proposals have been brought forward under Title IV:

Commission proposal for a Council Regulation on jurisdiction and recognition and enforcement of judgments in matrimonial matters (Brussels II); and Commission proposal for a Council Regulation on the service in the Member States in the European Union of judicial and extra-judicial documents in civil or

commercial matters. The United Kingdom notified its intention to participate in the adoption of both of these measures on 28 July 1999.

Proposal for a Council Regulation on insolvency proceedings. The United Kingdom notified its intention to participate in the adoption of this Regulation on 19 August 1999.

Commission proposal for a Council Regulation concerning the establishment of "Eurodac" for the comparison of fingerprints of applicants for asylum and certain other categories of people. The United Kingdom notified its intention to participate in the adoption of this Regulation on 7 October 1999.

Commission proposal for a Council Regulation on jurisdiction and recognition and enforcement of judgments in civil and commercial matters (Brussels I). The United Kingdom has not yet taken a decision whether to exercise its right to opt in to the adoption of this measure.

The Government have made no announcement of an intention not to adopt any particular measures.

Prison Service Drug Strategy

Mr. Simon Hughes: To ask the Secretary of State for the Home Department if he intends introducing mandatory drug testing of staff employed from outside agencies as part of the Prison Service drug strategy; and if he will make a statement. [99799]

Mr. Boateng: Contracts with outside agencies include provision for the testing of drug workers for drugs. However, for the time being, testing will apply only to drug workers employed in the high security prisons. There are no plans as yet to extend testing to drug workers across the rest of the prison estate.

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what progress has been made with the Prison Service CARAT drug strategy; and if he will make a statement. [99798]

Mr. Boateng: Counselling Assessment Referral in Advice Through Care Services (CARATs) contracts have been let and the roll-out of services began on 1 October. Although some services are now available in most establishments, we do not expect them to be fully operational until the end of January when the agencies involved have completed their staff recruitment.

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what is the total amount of money that has been allocated from each source and in total to the Prison Service's drug strategy for the next three years; what is the Prison Service's projected budget for drug rehabilitation and treatment work; and if he will make a statement. [99801]

Mr. Boateng: The total money that has been allocated to the Prison Service drug strategy for the three years beginning 1 April 1999 is £101,405,000. The detailed allocations are given in the tables.

Table 1: Total drugs strategy budget

	Year 1	*Year 2*	*Year 3*
Comprehensive spending review funds	22,572,000	26,291,000	26,949,000
Existing budget	8,531,000	8,531,000	8,531,000
Total	31,103,000	34,822,000	35,480,000

Table 2: Breakdown of allocation of comprehensive spending review funds

Allocations	*Year 1*	*Year 2*	*Year 3*
Detoxification	4,000,000	3,400,000	3,400,000
Rehabilitation	2,700,000	3,500,000	3,500,000
TCs	600,000	1,050,000	1,100,000
CARATs	5,500,000	8,900,000	9,100,000
Voluntary testing	5,600,000	5,600,000	5,800,000
Totals	18,400,000	22,450,000	22,900,000

Table 3: Breakdown of existing spend

	Expenditure 1999–2000 (non-CSR)
Drug treatment programmes and services in establishments	6,780,000

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what prohibitions there will be on persons employed by drug agencies as part of the Prison Service's drug strategy based on previous convictions; and if he will make a statement. [99800]

Mr. Boateng: Most establishments will not normally admit a drugs worker who has a conviction for importing or supplying drugs; any offence in the last five years (excluding most motoring offences unless they involved death or injury); a sexual offence, for example, rape, indecent assault; any offence involving children; or has been released from a custodial sentence in the last five years.

High security prisons and core local establishments holding category A prisoners will not normally admit a drug worker who has received any custodial sentence or has a conviction for any offence within the past five years; any serious offence within the past five years; any serious offence involving drugs, e.g. importation, possession with intent to supply, cultivation; any serious sexual or violent offence or any offence involving children.

There will inevitably be individual cases where an exception would be appropriate. Workers with previous convictions or who are ex-addicts can make telling contributions to treatment programmes and we would not want to lose their proven skills except when unavoidable. Governors may disregard any offence which they consider to be irrelevant and unlikely to present any threat to security or control.

Party Conferences (Policing)

Mr. Simon Hughes: To ask the Secretary of State for the Home Department how much his Department contributed to the cost of policing each of the national political party conferences in autumn 1999; what were the total additional costs to the police forces responsible for policing the conferences; and if he will make a statement. [99789]

Mr. Straw: I approved the payment of two special grants towards the additional costs of policing of party conferences this year, as follows:

Dorset Police

£1.6 million (Labour Party Conference at Bournemouth)

Lancashire Constabulary

£895,000 (Conservative Party Conference at Blackpool).

Information on the total additional cost of policing these conferences is not yet available.

Probation and Community Sentences

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what proposals are *(a)* in progress and *(b)* planned to improve the enforcement of probation and community sentences; and if he will make a statement. [99805]

Mr. Boateng: We are working with the Association of Chief Officers of Probation to raise the level of performance on enforcement, which is currently unacceptable, through issuing guidance and best practice. A follow up audit of enforcement by all probation services is being undertaken in the new year.

We are also tightening up the National Standards for Supervision of Offenders in the Community as from 1 April 2000 with the effect that offenders who fail to comply with their community sentences will be brought back before the court after a maximum of two unacceptable absences rather than the current three. In addition, we intend to introduce further powers in the Crime and Public Protection Bill further to improve enforcement of community sentences.

Drug Treatment and Testing Orders

Mr. Simon Hughes: To ask the Secretary of State for the Home Department how many cases have been referred for assessment for a drug treatment and testing order in each of the three pilot areas since October 1998; how many orders were made in each area over the period; how many orders have been *(a)* completed and *(b)* revoked; and if he will make a statement. [99797]

Mr. Boateng: The information is given in the table:

Area	*Referrals*	*Orders made*	*Orders completed*	*Orders revoked*
Croydon (South East London)	96	35	[1]—	9
Gloucestershire	203	80	—	35
Liverpool (Merseyside)	132	53	—	12
Total	431	168	—	56

[1] None—the first completion of orders is not anticipated until the beginning of the new year at the earliest

Mr. Lidington: To ask the Secretary of State for the Home Department (1) how many offenders subject to a drug treatment and testing order have received *(a)* one formal written warning from a supervising officer and *(b)* two or more such warnings, but have not been subjected to breach proceedings; [100129]

(2) how many offenders subject to a drug treatment and testing order under the Crime and Disorder Act 1998 have been issued with a formal written warning by the supervising officer that they have failed to comply with the order; and how many such formal written warnings have been issued by supervising officers; [100131]

(3) how many drug treatment and testing orders made under the Crime and Disorder Act 1998 have subsequently been varied by the courts; [100128]

(4) how many offenders whose drug treatment and testing orders have been revoked by the courts have been re-sentenced for their original offence; how many such offenders were sentenced to *(a)* custody, *(b)* a fine, *(c)* a community service order and *(d)* another penalty; how many such offenders were granted (i) an absolute and (ii) a conditional discharge; and if he will make a statement; [100133]

(5) how many offenders subject to a drug treatment and testing order under the Crime and Disorder Act 1998 have been the subject of breach proceedings following *(a)* one formal written warning by the supervising officer and *(b)* two such written warnings; [100130]

(6) how many offenders subject to a drug treatment and testing order have been made the subject of breach proceedings following *(a)* one failure to comply with the order, *(b)* two failures to comply, *(c)* three failures to comply and *(d)* four or more failures to comply. [100132]

Mr. Charles Clarke: The information requested is not immediately available and I will write to the hon. Member.

Mr. Lidington: To ask the Secretary of State for the Home Department how many reported breaches of drug treatment and testing orders under the Crime and Disorder Act 1998 have followed *(a)* a single failed test, *(b)* two failed tests, *(c)* three or more failed tests and *(d)* other reasons; and if he will make a statement. [100127]

Mr. Boateng: No drug treatment and testing orders have been breached on the basis of failed tests alone, though the number and frequency of test failures would have been a factor taking into consideration when making decisions on breach for failure to comply with the treatment requirement of the order.

Prosecutions

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what was the total number of *(a)* criminal prosecutions, *(b)* either-way case prosecutions, *(c)* summary only prosecutions and *(d)* indictment only prosecutions in each of the last 10 years. [99790]

Mr. Straw: The information is contained in the table.

Number of defendants prosecuted at magistrates courts by type of offences, 1988–98
England and Wales

Year	Indictable only	Triable either way	Summary non motoring	Summary motoring	Total
1988[1]	21,220	452,751	542,724	846,486	1,863,181
1989[1]	23,121	425,936	568,469	846,618	1,864,144
1990[1]	24,115	444,470	576,977	846,022	1,891,584
1991[1]	26,695	462,362	573,331	893,529	1,955,917
1992[1]	28,277	462,000	601,468	938,165	2,029,910
1993	29,176	449,632	580,828	896,635	1,956,271
1994[1]	30,554	466,772	586,784	863,055	1,947,165
1995[1]	29,430	434,091	523,038	849,748	1,836,307
1996[1]	32,119	432,558	607,633	847,184	1,919,494
1997	32,269	454,432	530,612	838,020	1,855,333
1998	33,032	477,465	591,831	849,587	1,951,915

[1] For these years it is known that there were relatively small shortfalls in the number of proceedings reported to the Home Office.

Crown Court Proceedings (Cost)

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what is the average cost of completed proceedings in Crown courts following *(a)* a guilty plea and *(b)* a not guilty plea; and if he will make a statement. [99792]

Mr. Straw: The average cost of completed proceedings in the Crown court is £2,600 following a guilty plea and £17,550 following a not guilty plea. In both cases, there is an additional cost of £1,050 incurred at the magistrates courts, as a result of committal proceedings.

These costs relate to the calendar year 1997 and financial year 1997–98, the most recent period for which comprehensive information is available. They were taken from the Home Office Research Finding No. 103, "The Cost of Criminal Justice", which was published on the 15 November. This report is available on the internet at http://www.homeoffice.gov.uk/rds/areas/econpf.htm.

Probation Service

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what specific resources have been allocated to the probation service in relation to the Effective Practice Initiative; and if he will make a statement. [99804]

Mr. Boateng: The Effective Practice Initiative was launched in June 1998 with the publication of Her Majesty's Inspectorate of "Probation of Strategies for Effective Offender Supervision". The initiative is now being taken forward as the What Works strategy, for which £21 million has been provided from 1999–2002 part of the Crime Reduction Programme, to develop and deliver high-quality work with offenders in the prison and probation services, based on what is known to reduce re-offending.

Of this funding, just £13 million is available to support probation service development and implementation, with a further 10 per cent. for independent evaluation.

Jury Trial

Mr. Simon Hughes: To ask the Secretary of State for the Home Department in each of the last 10 years for which figures are available, in how many and what percentage of either-way cases *(a)* magistrates declined jurisdiction, *(b)* defendants consented to magistrates' jurisdiction and *(c)* defendants elected for jury trial; and if he will make a statement. [99791]

Mr. Straw: The information requested is being prepared; I shall write to the hon. Member as soon as it becomes available, and place a copy in the Library.

Community Sentences

Mr. Simon Hughes: To ask the Secretary of State for the Home Department (1) how many offenders who breached a community sentence were subject to re-sentencing, in each of the last three years; and if he will make a statement; [99808]

(2) how many combination orders were made by *(a)* magistrates' courts and *(b)* Crown courts, by gender and by age group, during the last three years for which figures are available; and if he will make a statement; [99795]

(3) how many people breached community sentences in each of the last three years for which figures are available; and if he will make a statement; [99807]

(4) how many combination orders made by *(a)* magistrates' courts and *(b)* Crown courts, were breached, by gender and by age group, during the last three years for which figures are available; and if he will make a statement. [99796]

Mr. Straw: The available information given in the tables is taken from the Home Office Court Proceedings Database which covers defendants proceeded against in court for breaching a community sentence.

Table A: Number of offenders proceeded against in court for breaching a combination order by sex and age group, England and Wales, 1996–1998

	Males				Females			
Year	16–17	18–20	21 and over	All ages	16–17	18–20	21 and over	All ages
1996	304	1,566	3,416	5,286	11	76	326	413
1997	391	1,962	4,543	6,896	21	85	404	510
1998	237	1,310	3,014	4,561	27	93	340	460

Note:
Breach data does not include information on the original sentencing court (i.e. magistrates' or Crown Court)

Table B: Number of offenders receiving a combination order by sex, age group and type of court, England and Wales 1996–1998

	Males				Females			
Type of court and Year	*16–17*	*18–20*	*21 and over*	*All ages*	*16–17*	*18–20*	*21 and over*	*All ages*
Magistrates' courts								
1996	1,131	2,842	9,270	13,243	45	185	866	1,096
1997	1,325	2,939	10,157	14,421	97	216	1,012	1,325
1998	1,466	3,384	10,823	15,673	116	294	1,177	1,587
Crown Court								
1996	123	655	1,794	2,572	13	69	307	389
1997	185	908	2,117	3,210	30	92	382	504
1998	211	961	2,249	3,421	22	112	368	502

Table C: Number of offenders proceeded against in court for breaching a community sentence, England and Wales, 1996–1998

Year	
1996	24,882
1997	27,179
1998	27,250

Note:
Data on the number of offenders who had their sentences revoked and were re sentenced for the original offence are not readily available.

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what options are open to the courts to respond to a breach of community sentence; and if he will make a statement. [99806]

Mr. Boateng: Where the courts find that an offender has breached the requirements of his community sentence they may: impose a fine not exceeding £1,000; or make a community service order, subject to certain restrictions on the aggregate hours; or, in respect of offenders under the age of 21 and subject to a probation order or offenders under the age of 16 subject to curfew orders, make an attendance centre order; or revoke the order and re-sentence for the original offence.

Immigration Service

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what is his timetable for the secondary legislation he plans to introduce following the enactment of the Immigration and Asylum Act 1999; and if he will make a statement. [99794]

Mrs. Roche: We intend to phase implementation of the Act over the next 12 to 18 months. In doing so, we will give priority to the provisions, including the relevant order-making powers, relating to the new asylum support arrangements and to the civil penalty for clandestine entrants. Following consultation earlier this year, the Asylum Support (Interim Provisions) Regulations 1999 have already been laid before Parliament. Further secondary legislation will be introduced when necessary and, whenever possible, will be subject to consultation with interested parties.

Harassment

Mr. Simon Hughes: To ask the Secretary of State for the Home Department how many people made complaints to the police under the Protection from Harassment Act 1996, between September 1998 and the last month for which figures are available; how many of those complaints resulted in *(a)* a prosecution and *(b)* a conviction; what were the sentencing outcomes under sections II and IV of the Act; and if he will make a statement. [99802]

Mr. Straw: Available data from the Home Office Cautions and Court Proceedings Databases, covering the period from September 1998 to March 1999 inclusive, are given in the table. Provisional data for the second quarter of this year will not be available until December.

Number of persons cautioned or proceeded against under the Protection from Harassment Act 1997 between September 1998 and March 1999 [1] by offence and disposal

	Offence	
	Offence of harassment [2]	*Putting people in fear of violence [3]*
Number of persons cautioned	558	105
Proceeded against in magistrates courts	2,919	888
All courts		
Found guilty	1,444	287
Sentenced	1,444	286
Absolute or conditional discharge	527	48
Fined	310	36
Community sentence	375	113
Immediate custody	156	74
Other	76	15

[1] Provisional data
[2] Section 2
[3] Section 4

Information Technology Projects

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what is the definition of project running costs as referred to in the list of information technology projects placed in the Library; and if he will make a statement. [100171]

Mr. Straw: The definition of project running costs referred to in the list varies with the nature of the project.

Normally, running costs might be expected to include the costs of activities associated with the delivery of a project or the letting of a contract: for example the costs arising from the procurement process, the cost of expert advisers, the costs arising from project management and the support staff required to perform these activities.

Asylum Seekers

Ms Osborne: To ask the Secretary of State for the Home Department what discussions he has held with regard to the dispersal of asylum seekers to Scotland. [100190]

Mrs. Roche: In preparation for commencement next year of the new support arrangements, Part VI of the Immigration and Asylum Act 1999, officials in my Department have been discussing with officials in the Scottish Executive, local authorities, the voluntary sector and potential accommodation providers, arrangements for the dispersal of asylum seekers to Scotland. These discussions have included bilateral meetings and a seminar held on 21 September in Glasgow, which focused on the provision of accommodation. The precise arrangements for dispersal remain subject to further consideration and consultation.

EDUCATION AND EMPLOYMENT

Departmental Transport

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment what motor mileage allowance rates his Department offers to *(a)* Ministers and *(b)* civil servants using their own vehicles for official business; and what has been the cost of each in each of the last five years. [99146]

Jacqui Smith: Ministers, when travelling on official business, may use a private care instead of an official car and claim mileage allowance in the same circumstances and on the same terms as civil servants in the Minister's Department.

The standard motor mileage rates reimbursed to Ministers and civil servants are set out in the following table:

pence per mile

Engine size	*Up to 4,000 miles*	*Over 4,000 miles*
DfEE		
Up to 1500cc	35	20
1501cc+	45	25
Employment Service		
Unified Mileage Rate: 34 pence per mile		

Merseyside TEC

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment what level of funding is received by Merseyside TEC per head of population. [98570]

Mr. Wicks: Merseyside TEC does not receive funding on a per head of population basis from the Department for Education and Employment.

However, income received by Merseyside TEC as shown in the 1998–99 Statutory Accounts would equate to an income of £47 per head of population.

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment how much funding is realised by the Merseyside TEC from the private sector. [98476]

Mr. Wicks: Merseyside TEC is a private company and as such is not required to divulge how much funding is realised from the private sector.

School Closures

Mr. Crausby: To ask the Secretary of State for Education and Employment how many times over the last five years he has used statutory powers to take direct action to close schools. [99272]

Ms Estelle Morris: There has been only one occasion in the last five years where the Secretary of State has used legislative powers to take direct action to close a school, and that was under the previous Government. The then Secretary of State made an order under the 1993 Education Act to close Hackney Downs School with effect from 31 December 1995.

Where necessary, the Secretary of State will take direct action to improve the education of children in failing schools; he has the power under the School Standards and Framework Act 1998 to direct that a school in special measures be closed. No school will be allowed to linger in failure. Where schools cannot be improved enough to come off special measures within two years they should be closed or given a "Fresh Start".

Since May 1997, 82 schools in special measures have been closed, following approval of proposals made by local education authorities; of which eight have been replaced by new "Fresh Start" schools, and 379 schools have been removed from special measures having been restored to health.

Music Lessons

Mr. Stephen O'Brien: To ask the Secretary of State for Education and Employment what representations he has received in the last 12 months on the question of providing musical instrument teaching in schools as part of the curriculum; and what plans he has to increase the provision. [99899]

Jacqui Smith: The Government have made available a £180 million package for music services. Of this, £150 million is available through the Standards Fund over three years to protect and expand local education authorities' music services. Among other things, this money can be targeted to instrumental music tuition. As this is new funding, the Department has received a number of representations over the last 12 months relating to musical instrument teaching.

The remaining £30 million will fund the Youth Music Trust. The work of the Trust will complement Standards Fund provision and will extend access to music making for young people both in schools and outside.

The Department has commissioned a research project to look at the effectiveness of the instrumental music services maintained by local education authorities in order to draw lessons for the future. The project is due for completion in June 2000.

Special Educational Needs Bill

Mr. Corbett: To ask the Secretary of State for Education and Employment if he will make the proposed special educational needs Bill available in simple text and pictures to enable children with learning difficulties to comment on it. [99765]

Jacqui Smith *[holding answer 25 November 1999]:* No. We will, however, wherever possible, make documents available in an easily understood format, including the use of illustrations where this is appropriate.

School Buildings

Mr. Burns: To ask the Secretary of State for Education and Employment if he will list all the schools in the West Chelmsford parliamentary constituency that have benefited from the Government scheme to improve the structure of school buildings; and how much each school received which has benefited from the scheme. [98516]

Jacqui Smith *[holding answer 22 November 1999]:* The following table lists capital grants made to schools (including former grant-maintained schools) in the West Chelmsford constituency since May 1997:

School	*Initiative*	*Grant allocated (£)*
The Bishop's CE and RC Primary	VA Capital/Repair Grant	22,702
The Boswells	New Deal for Schools	20,978
The Boswells	Seed Challenge	69,000
Broomfield Primary	Nursery Scheme	65,000
Chelmsford County High School for Girls	New Deal for Schools	20,654
Chelmsford County High School for Girls	Seed Challenge	150,021
The Cathedral School	Disability Access Initiative	22,924
The Cathedral School	Emergency Funding	4,000
Highwood Primary	New Deal for Schools	[1]402,538
Hylands	Seed Challenge	31,109
Hylands	Disability Access Initiative	7,364
King Edward VI Grammar	Seed Challenge	190,165
Moulsham High	New Deal for Schools	[1]402,538
Newlands Spring Primary	Nursery Scheme	60,000
Moulsham Infant	New Deal for Schools	[1]788,049
Our Lady Immaculate RC Primary	Nursery Scheme	65,000
Our Lady Immaculate RC Primary	Disability Access Initiative	5,000
Our Lady Immaculate RC Primary	Challenge Funding	82,500
Rainsford High	New Deal for Schools	70,500
Rainsford High	Challenge Funding	67,698
Little Waltham CE Primary	VA Capital/Repair Grant	144,973
St. Pius X Catholic Primary	VA Capital/Repair Grant	35,610
St. John Payne	VA Capital/Repair Grant	82,831

[1] A share of

Key Stage Tests

Mr. Lidington: To ask the Secretary of State for Education and Employment if he will place in the Library a list of the schools and local education authorities which made representations to his Department or to the Qualifications and Curriculum Authority *(a)* supporting, or *(b)* opposing a revision of the test dates for Key Stages 2 and 3 in 2000. [98728]

Jacqui Smith: The change was made in response to concerns from many headteachers, including the General Secretary of the National Association of Headteachers who has welcomed it. Since the change the Department and the Qualifications and Curriculum Authority have received a total of 116 representations opposed to the change of test dates. 18 schools and local education authorities wrote to support the change. Since many of the schools expressed their views in confidence, it would be wrong to name them.

Investors in People

Mr. Boswell: To ask the Secretary of State for Education and Employment what plans he has to include disability awareness in the Investors in People standards. [99327]

Mr. Wicks *[holding answer 25 November 1999]:* The Investors in People Standard is currently being revised. When the new Standard is launched in April 2000, it will include a specific indicator requiring organisations to demonstrate that all their people have equal opportunity to learn and develop their skills.

EU-funded Programmes

Dr. Whitehead: To ask the Secretary of State for Education and Employment what is the value of EU-funded programmes to schools, colleges, training boards and students in *(a)* Southampton, *(b)* Newcastle, *(c)* Hull, *(d)* Sheffield, *(e)* Manchester, *(f)* Rotherham, *(g)* Dover, *(h)* Bristol, *(i)* Bath, *(j)* Sunderland *(k)* Birmingham and *(l)* Leicester. [98575]

Mr. Wicks: The principal EU programmes for which my Department has responsibility are the European Social Fund, the Socrates and Leonardo da Vinci education and training action programmes and the Youth Programme. These programmes operate differently in a number of ways. With the major exception of the European Social Fund, most of their activities include transnational activity, i.e. where a UK project promoter receives co-funding from the EU to mount a project involving the UK and one or more participating country. Moreover, while project funding data may relate to an applicant organisation in a particular town, activity may take place elsewhere, or involve participants from other towns or areas. It is therefore not currently possible in many instances to disaggregate the data to be able to say exactly how much funding goes to education and training institutions in individual cities or areas, without contacting all the individual institutions concerned. We are working with the European Commission and other member states to simplify the bureaucracy necessary to run these programmes.

Data are currently available, broadly in the format requested, relating to the total funding under the European Social Fund, the Leonardo da Vinci training programme and the Erasmus Action (Higher Education) of the Socrates Programme. They are set out in the table. It should be noted that in the case of the European Social Fund, an additional £141 million were paid out in 1998 to projects in England following a central application. The information supplied was collated on the basis of postcode.

£000

Town	Total ESF [1,2]	Leonardo da Vinci [2,4]	Erasmus—Socrates [5]
a) Southampton	836	769	133
b) Newcastle	2,978	387	225
c) Hull	1,778	295	167
d) Sheffield	8,605	1,593	236
e) Manchester	6,630	1,318	368
f) Rotherham	4,860	263	0
g) Dover[3]	0	0	0
h) Bristol	2,995	672	218
i) Bath	275	105	111
j) Sunderland	4,310	413	55
k) Birmingham	13,752	1,058	325
l) Leicester	1,749	482	150

[1] Figures are based on payments made during 1998.
[2] Figures relate to the applicant organisation rather than the beneficiary.
[3] There are currently no EU funded projects (ESF, Leonardo) or applicant organisations (Erasmus) in Dover.
[4] Figures are based on projects live in 1999.
[5] Data include grants allocated to HE institutions in the different towns under their institutional contract and to individual students from those institutions as student grants for academic year 1997–98.

Lone Parents (Further Education)

Mr. Crausby: To ask the Secretary of State for Education and Employment what plans he has to assist single parents with the costs of further education. [99273]

Mr. Wicks: Single parents on low incomes are a priority for assistance with further education. They are eligible for tuition fees reimbursement, help from the FE Access Fund, and may also be considered for a free or subsidised child care place. I have today announced a substantial rise in the FE Access Fund and for child care assistance to take effect from 2000–01. In addition, lone parents participating in the New Deal for Lone Parents can also receive financial assistance for training to improve their job-readiness.

Further Education Standards Fund

Mr. Pendry: To ask the Secretary of State for Education and Employment how much of the Further Education Standards Fund will be allocated to training in the hospitality and tourism sectors in the next 12 months. [98495]

Mr. Wicks: The Further Education Standards Fund (FEFC) comprises in total £35 million in 1999–2000, £80 million in 2000–01 and £160 million in 2001–02. Its objective is to raise standards and quality in Further Education by rapid improvements in colleges causing concern; in promoting better teaching, learning, management and leadership; and in spreading best practice.

There is no specific provision for hospitality and tourism in the Standards Fund. Hospitality and tourism are treated in the same way as all other curriculum areas. Those colleges offering these programmes may benefit, as do all others, from funding to help them address any weakness found during inspection.

The five colleges judged by FEFC inspectors to be outstanding in their provision of hospitality or tourism training during the last year are all eligible to apply for funding from the Standards Fund to help them disseminate good practice. It is therefore impossible to predict precisely how much funding might be deployed for better training in hospitality and tourism during the next 12 months.

TREASURY

Corporate Assets

Ms Roseanna Cunningham: To ask the Chancellor of the Exchequer what his estimate is of the value of land and property, including leasehold and freehold property held *(a)* in Scotland and *(b)* in total by (i) HM Customs and Excise, (ii) the Inland Revenue, (iii) National Savings (iv) ONS and (v) the Royal Mint and of the value of assets held by these bodies. [99731]

Dawn Primarolo: The following figures are based on the best information available at 31 March 1999.

£000

	(a) In Scotland	(b) In total
Land and property		
ONS	0	32,617
Royal Mint	0	13,393
National Savings	7,017	22,470
Other assets		
ONS	0	17,500
Royal Mint	0	31,069
National Savings	0	93

Customs and Excise and the Inland Revenue are currently examining whether there is a 'value for money' case for transferring their estate to a private sector supplier on a single 20 year contract (Strategic Transfer of Estates to the Private Sector—STEPS project). At present three consortia have been shortlisted and the contract is expected to be assigned to the successful bidder in autumn 2000. The value of Customs and Inland Revenue land and buildings cannot therefore be disclosed on grounds of commercial confidentiality.

Ms Roseanna Cunningham: To ask the Chancellor of the Exchequer what his estimate is of the value of land and property held *(a)* in Scotland and *(b)* in total by the Bank of England, and of the value of other assets held by the Bank of England. [99730]

Dawn Primarolo: The totals for equipment and property are provided on page 77 of the Bank of England's Annual report 1999, laid before Parliament on 26 May 1999.

The Bank has no land or property holdings in Scotland.

Departmental Estate

Ms Roseanna Cunningham: To ask the Chancellor of the Exchequer what his estimate is of the value of land and property held by his core Department *(a)* in Scotland and *(b)* in total and of the value of (i) investments, (ii) investments held in trust, (iii) heritage items and (iv) IT, telecommunications and other equipment, furniture and fittings. [99729]

Dawn Primarolo: Value information is being developed as part of the implementation of resource accounting. This information is currently being audited. The first set of resource accounts will be published in respect of 1999–2000.

Correspondence

Mr. Winnick: To ask the Chancellor of the Exchequer when the hon. Member for Walsall, North will receive a reply to his letter of 20 September regarding valuation boards. [100075]

Dawn Primarolo: Appointments to Valuation Tribunals are a matter for the Department of the Environment, Transport and the Regions, who will reply shortly.

Post Office

Mr. Webb: To ask the Chancellor of the Exchequer if he will list the principal activities of his Department and its agencies which provide business for *(a)* Crown post offices and *(b)* other post offices; if he will assess whether the level of business generated in each case is likely to increase or decrease over the next five years; and which new areas of business for post offices are likely to be developed by his Department and its agencies over the same period. [99578]

Dawn Primarolo: The agencies of the Chancellor which provide business for Crown and sub-post offices are National Savings, Inland Revenue and Royal Mint.

National Savings raises deposits from the retail sector through a range of savings and investment products for personal savers retailing 10 of its 11 personal savings products through the full network of post offices.

On current projections National Savings transaction levels through post offices are forecast to reduce by some 8 per cent over the next five years. This trend is seen as an inevitable consequence of competition from other financial services providers and personal choice as customers opt to deal through other channels such as post, telephone or electronic commerce. Enhancements over the next five years are likely to be direct replacements for existing products and as such unlikely to stimulate an increase in overall traffic levels through post offices.

The Inland Revenue has, for some years, given certain taxpayers the option to pay their taxes at any Post Office and expects these volumes to grow over the next five years. The Inland Revenue's National Insurance Contributions Office generates the payment of Quarterly Bills for Class 2 and Class 3 National Insurance Contributions (via giro bank) through all post offices, although contributors are encouraged to pay by direct debit rather than giro payment.

The Inland Revenue is also responsible for administering Working Families Tax Credit and Disabled Person's Tax Credit. Currently most successful applicants receive their tax credit payment by order book which can be cashed at post offices. From April 2000, however, it is expected that the vast majority of employee applicants will be paid through their employers and that there will be a consequent decline in payments at post offices over the next five years.

Royal Mint use all post offices to distribute commemorative UK circulation coinage. This business is expected to remain at the same level over the next five years. Collector coins are also offered through all post offices and Royal Mint are working to increase the volume of business in this regard. No new areas of Royal Mint business for Post Offices are currently considered likely to be developed in the next five years.

Alcohol and Tobacco

Mrs. Lawrence: To ask the Chancellor of the Exchequer what are his latest estimates of the revenue evaded and revenue lost to the Exchequer through *(a)* smuggling and *(b)* cross-border shopping of (i) alcohol and (ii) tobacco; and what steps he is taking to deal with this issue. [100568]

Dawn Primarolo: As stated in paragraph 5.99 of the pre-Budget Report, HM Customs and Excise assess the total amount of revenue (excise duty and VAT) evaded through all forms of tobacco smuggling in 1999 will be around £2.5 billion, based on work in progress.

Customs' new estimates for revenue evaded and revenue lost (excise duty and VAT) through cross-Channel smuggling in 1999 and cross-border shopping in 1998 are set out in the tables, together with a revised estimate for cross-Channel smuggling in 1998:

Table 1: Revenue evaded and revenue lost through cross-Channel smuggling

£ million

Product type	*1998 (revised)*		*1999*	
	Revenue evaded	*Revenue lost*	*Revenue evaded*	*Revenue lost*
Beer	200	150	215	165
Wine	65	50	45	35
Spirits	40	30	20	15
Alcohol	305	230	285	215
Hand Rolling tobacco	685	685	720	720
Cigarettes and other tobacco products	250	250	340	340
Tobacco	935	935	1,055	1,055
Total	1,245	1,165	1,340	1,270

Table 2: Revenue lost through cross-border shopping

£ million

Product type	*1996*	*1997*	*1998*
Beer	45	50	55
Wine	100	140	180
Spirits	45	50	50
Tobacco Products	50	60	85
Total	235	305	375

Notes:

1. Figures have been independently rounded to £5 million. Components may not therefore sum to the totals shown.
2. The figures shown for revenue lost use Customs' assumption that between 70 per cent. and 80 per cent. of all alcohol purchased abroad substitutes for similar purchases in the UK (100 per cent. assumed for tobacco products).
3. The figures exclude any amounts for revenue lost on alcoholic drink and tobacco products smuggled in freight consignments. Customs have not published any estimates for the extent of these activities for alcohol but the assessment includes freight smuggling.

In addition, Customs and Excise estimate that about £50 million per year is lost through smuggling of cigarettes from non-European Union countries by air passengers.

The pre-Budget Report sets out the further steps the Government are taking to ensure that tobacco smuggling does not pay. Having taken advice from Martin Taylor, the Government will introduce a range of measures designed to tackle the evasion of tax on tobacco. These include:

a national network of x-ray equipment;

pack marks to show UK duty has been paid and ensure more effective prosecution of smugglers; and

other measures including increased asset confiscation and a new licensing framework.

Climate Change Levy

Mrs. Lawrence: To ask the Chancellor of the Exchequer if he will require suppliers to show the amount of climate change levy on invoices. [100567]

Mr. Timms: Suppliers will be required to show the amount of climate change levy on invoices if they wish to be eligible for bad debt relief. Details are contained in the draft clauses for the next Finance Bill which are being published today by Customs and Excise. Copies are being placed in the Library of the House.

FOREIGN AND COMMONWEALTH AFFAIRS

British Council

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs which British Council offices have opened in each of the last three years. [99582]

Mr. Hain: The following British Council offices opened during the last three years:

1996–97

Regional offices: Ho Chi Minh City, Vietnam; Fukuoka, Japan.

Teaching centres: Russia, Turkey, India, Burma.

1997–98

Country offices: Cuba, Bolivia.

Regional offices: Mandalay, Burma; Kaohsiung, Taiwan.

Teaching centres: France, Bolivia, Senegal, Brazil.

1998–99

Regional offices: Nagoya, Japan.

Teaching centres: South Africa, the Philippines, Taipei.

1999–2000

Regional offices: Auckland, New Zealand; Kosovo; Krakow, Poland.

Teaching centres: Cyprus.

Algeria

Mr. Love: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the situation in Algeria; and what action is being taken to assist in the resolution of the divisions in that country. [99636]

Mr. Hain: The security situation in Algeria has, in general, improved over the last few months, but serious concerns still exist. These concerns were highlighted by the murder of Abdelkader Hachani of the FIS in Algiers on 22 November. I shall visit Algiers next week. During the course of that visit, I shall discuss how the UK and EU might further help internal reconciliation in Algeria.

Pakistan

Mr. John M. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has met leaders of the Pakistani community in the United Kingdom to discuss the situation in Pakistan; and if he will make a statement. [99722]

Mr. Hain: My right hon. Friend the Foreign Secretary, met a delegation of Pakistani community leaders, led by the noble Lord, Lord Ahmed of Rotherham, on 2 November. My right hon. Friend the Foreign Secretary also made a statement to the House on 2 November 1999, *Official Report*, columns 81–82, on the situation in Pakistan, in response to a question from the hon. Member for Ruislip-Northwood (Mr. Wilkinson).

South Africa

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from the Government of South Africa concerning the effect of United Kingdom gold sales on the South African economy. [99608]

Mr. Hain: Over the summer, after the Treasury's 7 May announcement about the restructuring of the UK's reserves, the UK Government and the South African Government kept in regular touch about gold sales. My right hon. Friend the Chancellor of the Exchequer spoke to South African Finance Minister Trevor Manuel and wrote to him on 27 May. My right hon. Friend the Prime Minister spoke to President Mbeki after the 2 June elections and wrote to him on 11 June. Trevor Manuel met my right hon. Friend the Chancellor of the Exchequer in London on 20 July. The Governor of the Bank of England and the Chairman of the South African Reserve Bank also stayed in regular touch. A number of European central banks announced on 26 September that they would limit their gold sales over the next five years.

UN Co-ordinator, Baghdad

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the UN about the tenure of office of the UN Co-ordinator in Baghdad. [100084]

Mr. Hain: We have voiced concern to the UN about some aspects of Mr. Von Sponeck's performance, in particular his public calls for sanctions to be lifted immediately, contrary to the terms of the Security Council resolutions. But decisions on appointments such as Mr. Von Sponeck's are for the UN Secretary-General alone.

El Shifa

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will apologise to the Government and people of the Sudan for its endorsement of the bombing of the El Shifa factory. [100083]

Mr. Hain: My right hon. Friend the Prime Minister has made clear that he gave his support to the US action as action against international terrorists. The US told us at the time of the strike, now 15 months ago, that they had compelling evidence that the plant was being used for the production of chemical weapons materials.

When my right hon. Friend the Foreign Secretary met the Sudanese Foreign Minister in September this year in New York, we agreed to restore full diplomatic relations.

Iraq (Sanctions)

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his contacts with the Bishop of Coventry over the Bishop's visit to Baghdad. [100085]

Mr. Hain: I refer my hon. Friend to the answer I gave him on 2 November 1999, *Official Report*, column *128*.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 339**

SESSION 1999–2000

17th November—26th November 1999

Printed indexes to Hansard

The volume index is one of three printed indexes to Commons Hansard produced from the House of Commons Library's Parliamentary On-Line Indexing Service (POLIS). It contains references to material in the bound volumes of Hansard. The other indexes produced are:

- The fortnightly index to Hansard. This covers the same date range as the volume index but references are to the column numbering in the daily parts and weekly edition of Hansard.
- The sessional index to Hansard. This contains references to material in the bound volumes for a whole session.

Indexes on the Parliamentary website

Fortnightly, volume and sessional indexes covering material from the beginning of the 1999/2000 session will also appear on the Parliamentary website at http://www.parliament.uk with links to the full text of Hansard.

SCOPE

The indexes include entries covering:

- The content of all material recorded in Hansard, including debates, procedural motions and questions.
- The names of all Members contributing to the Parliamentary business recorded in Hansard.
- The names of some types of Parliamentary business whenever they occur in Hansard. These are 'Ministerial statements', 'Business statements', 'Opposition days' and 'Estimates days'.

ARRANGEMENT

- All headings are in one word-by-word alphabetical sequence, with Members' contribution entries distinguished from other entries by italics.
- Where a Member contributes to Parliamentary business and is the subject of Parliamentary business there are separate contribution and subject entries, the subject entry coming first.
- Entries beginning 'Mac' and 'Mc' are sorted in one sequence as 'Mac'.
- 'St', when abbreviated for Saint, is filed as 'Saint'.
- Numbers are filed as if spelt out, e.g. '10 Downing Street' as if 'Ten Downing Street'.

HEADINGS

Choice of headings

- *Specificity*—Entries summarise the overall content of a debate or question as specifically as the various POLIS thesauruses allow. For example, Education, Higher education, Universities or the name of a particular university is used depending on the breadth of the item.
- *Name headings*—Specific entries are included for the names of people, places, institutions, organisations, committees, programmes, initiatives, publications and legislation when these constitute the overall subject of an item.
- *Organisations and subjects*—Organisation entries are preferred for material about the general performance, administration and staffing of an organisation (for example, United Kingdom Passports Agency, Standards). Subject entries are preferred for what organisations do as part of their duties (for example, Passports, Fees and charges).

Geographical coverage

- *Subject headings*—Subject headings are assumed to refer to the whole of England, Great Britain or the United Kingdom unless otherwise stated.
- *Scotland, Northern Ireland and Wales*—Material relating to the whole of Scotland, Northern Ireland and Wales is indexed under these headings.
- *Places within the UK*—Material about specific towns, areas and institutions is entered under the name of the specific town, area or institution.
- *Foreign countries*—Most material relating to foreign countries is collected under the name of that country. Some additional material may be found under the names of—groups of countries, areas within countries, geographical features, place names associated with particular issues, politicians and heads of state, international bodies, and institutions and companies operating in those countries.
- *EC/EU material*—General material about the European Communities and European institutions as bodies is entered under 'European Communities' and 'EC institutions'. Organisational material about specific communities and institutions is entered under the name of the body, for example 'European Coal and Steel Community' or 'European Parliament'. Material about what the Communities and institutions are doing or propose to do is entered under various subject headings beginning 'EC' such as 'EC environmental policy'.

Parliamentary material and business

- *Material about Parliament*—This is indexed under 'Parliament', the names of the two Houses, the 'Palace of Westminster' and parts of the Parliamentary estate (such as 'Portcullis House').
- *Committees*—Material about committees is indexed under 'Committees', types of committee (such as 'Select committees') and the names of individual committees (such as 'Home Affairs Select Committee').
- *Parliamentary proceedings/procedures*—Material discussing these is indexed under the specific type of proceeding (such as 'Parliamentary questions' or 'Oral questions'), procedure (such as 'Calling of Members') or issue (such as 'Unparliamentary expressions').
- *Legislation*—Entries for Parliamentary proceedings on bills and statutory instruments are entered under their titles. Where the lead word of the bill or statutory instrument does not provide a full or clear indication of the subject there are additional subject entries when the bill or instrument is debated. For example, debates on the 'Child Support Pensions and Social Security Bill' have entries under 'Pensions' and 'Social security benefits' as well as under the title of the Bill.
- *Members' names*—These are given in the form by which the Member prefers to be known.
- *Speaker and Chair*—Contributions by the Speaker and deputies are brought together under the heading 'Speaker and deputies'. Contributions from the chair during Committees of the Whole House are brought together under 'Chairman of Committee of the Whole House'. Significant rulings and statements (as opposed to routine comments) are indicated by the sub-heading 'Rulings and statements' in both cases.

Guidance on headings

- *Cross references*—'See' references indicate all the material has been entered under another heading. 'See also' references indicate that additional information may be found under another heading.
- *Concept thesaurus*—A copy of the subject thesaurus to POLIS, listing the concept entries used in the index, is available on the Parliamentary website. A hard copy is available from the Head of the POLIS Unit, House of Commons Library, 1 Derby Gate, London, SW1A 2DG (020 7219 6456).

REFERENCES

- References in the indexes are to columns rather than pages.
- References to debates, but not questions, are accompanied by the date of the item.
- There are separate sequences in Hansard for the material taken on the floor of the House, Westminster Hall sittings and written questions:
  - References consisting of a number by itself indicate material taken on the floor of the House.
  - References ending in 'wh' indicate Westminster Hall sittings.
  - References ending in 'w' indicate written questions.
- References under all headings except the names of Members contributing to Parliamentary business and the titles of legislation are listed in one numerical sequence irrespective of whether the material is taken on the floor of the House, is discussed at a Westminster Hall sitting or is a written question.
- References under the names of Members contributing to Parliamentary business and the titles of legislation are listed in numerical sequence under the following headings:
  - *Debates etc.* (which includes interventions and points of order as well as significant contributions to debates);
  - *Sittings in Westminster Hall* (covering all debates held as part of the Westminster Hall sittings); and
  - *Questions* (which includes written, oral and private notice questions).

ABBREVIATIONS

The following abbreviations are used in connection with the progress of bills:

- 1R=First reading
- 2R=Second reading
- Com=Committee stage
- Rep=Report stage
- 3R=Third reading
- res=resolution
- amendt(s)=amendment(s)
- *=matter taken formally without debate or division.

Parliamentary background

- The Parliamentary website at http://www.parliament.uk contains a range of information about Parliament and the full text of some Parliamentary papers and proceedings including Hansard.
- Information on current Parliamentary business is provided in the House of Commons Information Office *Weekly Information Bulletin*, available on the website and from The Stationery Office (020 7873 8499).
- Further information on Parliamentary proceedings and procedures is available from the House of Commons Information Office (020 7219 4272).

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